FREIGHT TRAFFIC: WHY ONE SHIPPER SWITCHED TO PIGGYBACK

December 23/30, 1968

RAILWAY AGE

THE TRANSPORTATION WEEKLY

ow do you expect your company's over-all business in 1969 to ompare with 1968?

. . . . . .

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u think your total transportation needs in 1969 will ith those of 1968?

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n relation to your probable transportation needs in 1969, how o you expect your total use of rail service to compare with 196

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o you contemplate any major changes in your transportation olicies during 1969?

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How shippers size up 1969

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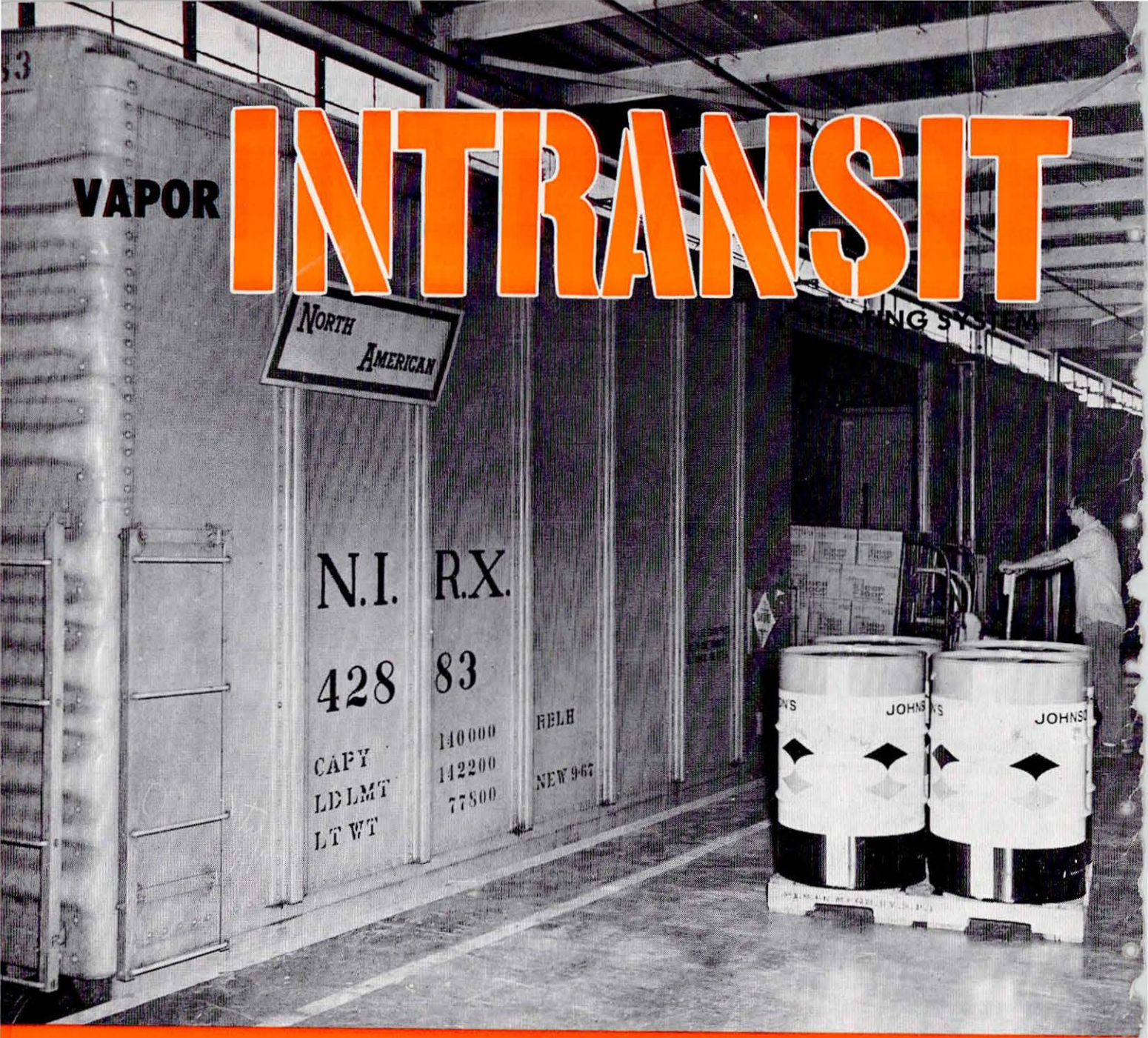

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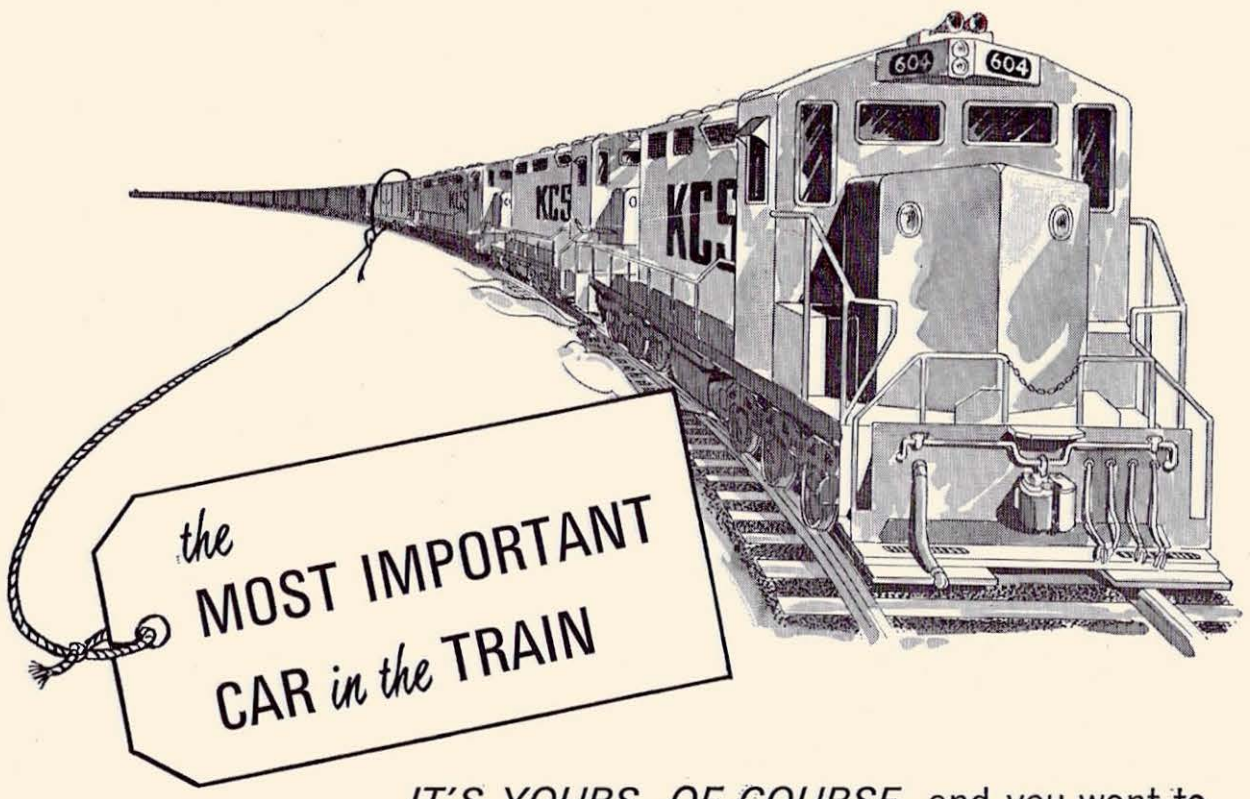

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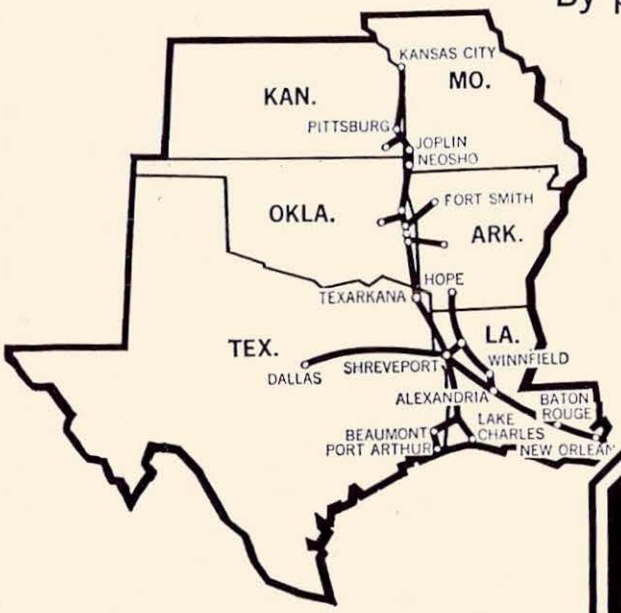

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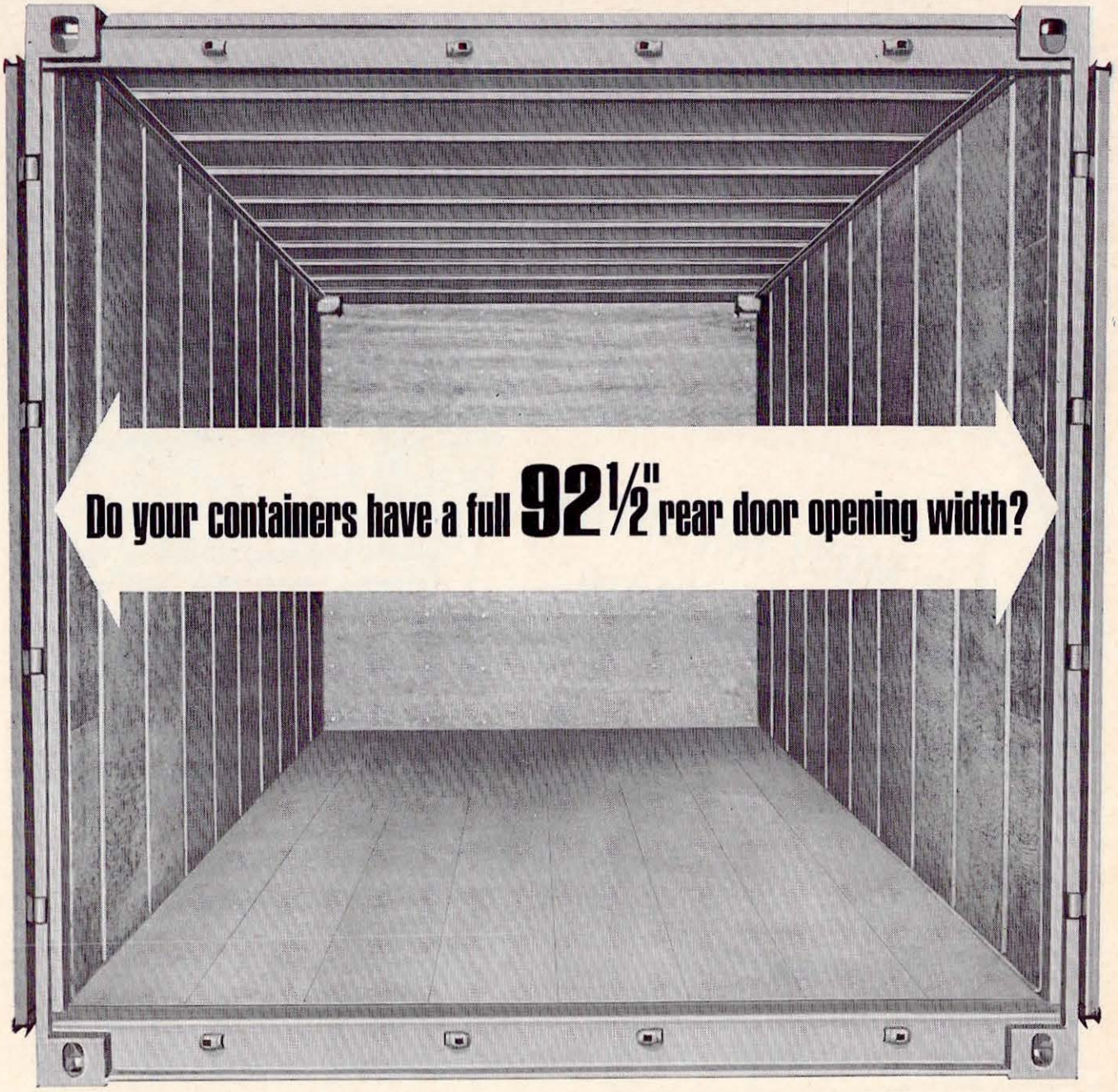

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RAILWAY AGE

Dec. 23/30, 1968 • Vol. 165, No. 25

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. . . AND COMING NEXT WEEK

Contractors are coming down the home stretch in construction of the CTA extensions in the Dan Ryan and Kennedy Expressways at Chicago. The Jan. 6/13 issue of Railway Age (a two-in-one issue which will be mailed Jan. 10) will tell the complete story of this $84-million project which, among other things, calls for the construction of double-track line in the median strips of the expressways, and 16 stations.

Editorial and Executive Offices
New York, N.Y. 10007, 30 Church St.

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Editorial and Executive Offices
Chicago, Ill. 60604, 14 E. Jackson Blvd.

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Engineering:
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Editorial Assistant: Wanda Brown

Washington, D.C. 20004,
National Press Bldg.
Washington Editor: Frank Malone

London, W.C. 2, England, 4, Talbot House; 98 St. Martin's Lane
International Editors:
Antony Whitney John Levett

Contributing Editors:
Norman E. Gillespie
3205 Chelsea
Orlando, Florida 32803

Charles Layng
6019 Nashua St.
Orlando, Florida 32809

E. L. Woodward
876 Chattanooga Ave.
Pacific Palisades, Calif. 90272

GEORGE DUSENBURY: Editorial Director

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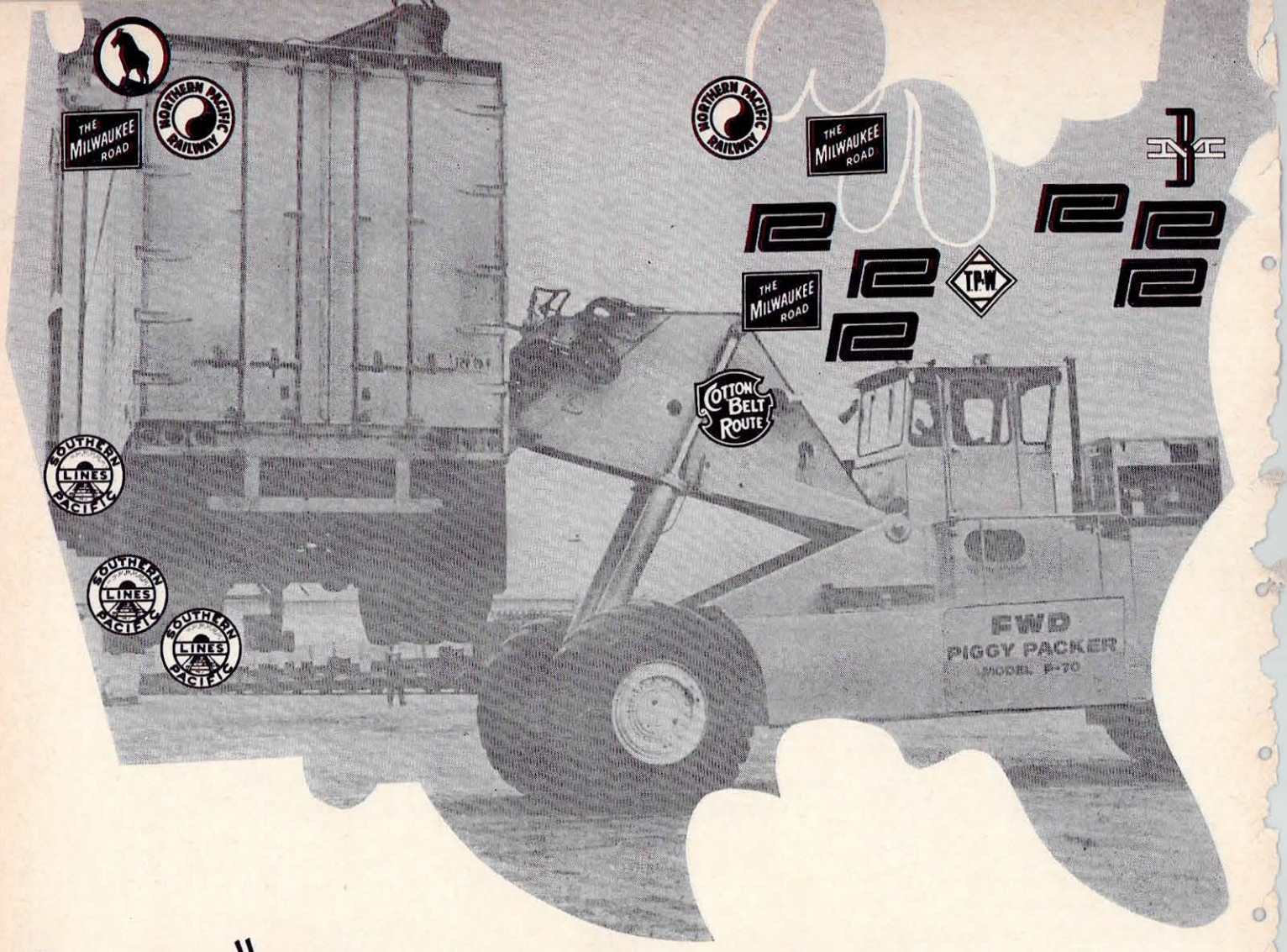

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SHORT AND SIGNIFICANT

Retirement tax rate due to rise Jan. 1

Railroad Retirement tax rates for employers and employees alike will go up from 8.90% to 9.55% in January. As before, the rate will apply to the first $650 of each month's earnings. There will be no change in either the Railroad Unemployment Insurance rate or the special Railroad Retirement supplemental tax rate.

Roddewig sees improvement in rail earnings

One of the more bullish forecasts in the railroad industry today comes from the West—from Clair M. Roddewig, president of the Association of Western Railways. Inflationary pressures have put a clamp on net railway operating income this year, he says, and the 3% freight-rate increases approved last July were not nearly enough to offset rising wage and material costs. But the additional rate boosts authorized late in November "will result in a substantial improvement in railroad earnings in 1969." For western roads, Roddewig makes an additional point: "Earnings in western territory will substantially increase in '69, if some of the major merger proposals are permitted to take effect."

Work begins on Jersey containerport

Seventeen berths for automated container shipping plus a 100-acre industrial park are being built by Port Jersey Corp. adjacent to Penn Central's Greenville yards in Jersey City. 223 acres of the 410-acre site were acquired at auction from the City of Jersey City. The industrial park will be centered on the uplands portion of the containerport. The 17 berths will be completed during second phase construction which entails reclaiming about 300 acres of land from Upper New York Bay.

AAR chief hails Volpe choice as "excellent"

Thomas M. Goodfellow, president of the Association of American Railroads, has pledged the railroad industry's "fullest cooperation to Governor [John A.] Volpe and the new Administration in coping with our mutual problems and achieving our mutual goals." Commenting on the "excellent" choice of the Massachusetts governor to be Secretary of Transportation, Goodfellow asserted: "Here is a man of courage and ability, and the job requires both. Enormous challenges face this nation in its efforts to meet the transportation needs of today and tomorrow." Volpe is a former Federal Highway Administrator.

Penn Central moves through phase 2 of finance project

With ICC approval, Penn Central now can launch the second of three steps in a finance-modernizing project—a $100-million revolving bank credit that will replace current bank loan agreements for short-term borrowing. The first step, approved July 29, was sale of short-term commercial paper. The third step will be a new long-term blanket mortgage that will become PC's major long-term debt vehicle.

ICC gets new chairman, Mrs. Brown

ICC Commissioner Virginia Mae Brown has been elected ICC Chairman for 1969. She will replace Chairman Paul J. Tierney, who will remain as a Commission member. Mrs. Brown, 45, is the first and only woman to serve on the Commission. She was named to the ICC in 1964, and has served on each of its three divisions. Vice Chairman for 1969 will be Commissioner George M. Stafford.

GATX-Boothe, Armco consider leasing venture

Directors of GATX-Boothe Corp. and Armco Steel Corp. disclosed last week that they have agreed in principle to establish a joint venture to engage in financing and leasing major capital equipment. GATX-Boothe was organized early this year to finance and lease railroad equipment, ships, barges and machinery. It is a 90%-owned subsidiary of General American Transportation Corp.

MONDAY MORNING REPORT

MERGERS HANG ON COMPETITION

Washington is full of merger talk. An ICC examiner recommends union of Milwaukee and North Western. A few blocks away, the already-blessed formation of Chicago, Milwaukee & North Western Transportation Company's closest competitor, the Burlington Northern, is stalled. Both cases hinge on competition.

FORGET COMPETITION BETWEEN RAILS

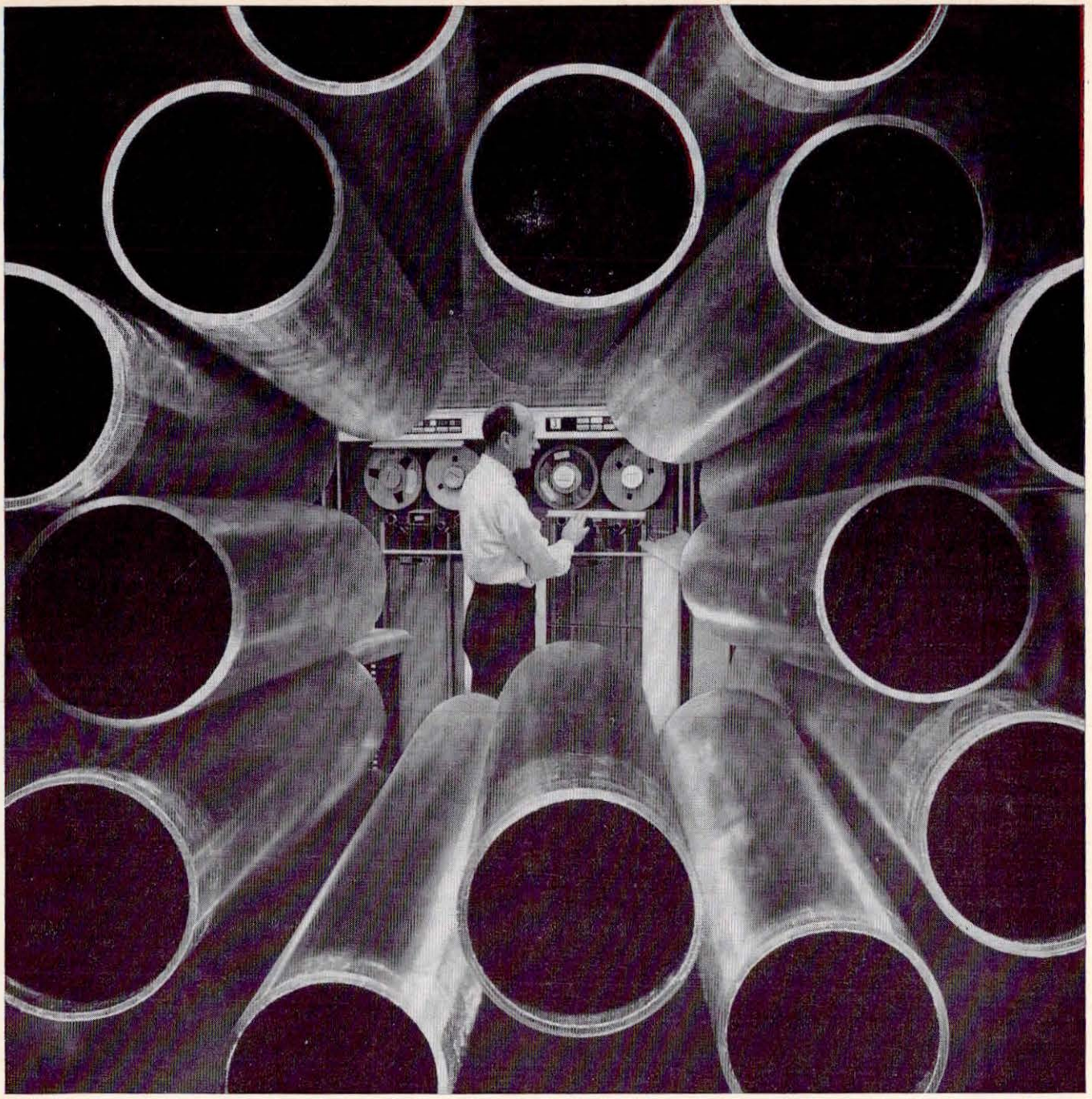
External threats are too strong to let concern about weakened competition between railroads block merger progress, says ICC Examiner Henry C. Darmstadter in a major part of his 292-page recommendation of C&NW-Milwaukee merger. "Although there are areas in which railroads still provide the only effective transportation service, the combined effect of intermodal competition . . . poses a direct threat to the vast majority of rail traffic," he says. Second, without merger railroads can't reach new markets because of rail limitation to on-line industries. Only joint-route and interchange agreements offset that restriction, but such things often are hard to arrange. Rail capability for complete service must be extended. Third, price competition "is motivated by market, product, or intermodal competition and undoubtedly would have occurred whether there were one or more railroads providing service." Fourth, service innovations have not come from competition between railroads. "In short, it is inescapable that competition between railroads generally and applicants provides only residual benefits to the public," Darmstadter concludes.

JUSTICE WON'T FORGET IT

Such thinking is identical with the reasoning behind Commission and Federal Court approval of Burlington, Northern Pacific, and Great Northern merger into a healthy new competitor, Burlington Northern. The Court agrees with ICC that competition generated by the Northern Lines merger would be consistent with the public interest "in light of the national transportation policy formulated by Congress." But Justice disagrees. On the Department's appeal, the Supreme Court is delaying the Northerns union while it awaits Justice's formal plea for review of the "endangered" competitive picture in the West.

RAILS MUST LOOK OUTWARD

Darmstadter recommends denial of Northern Lines conditions for the C&NW-Milwaukee merger (which they'll drop, anyway, if their merger is approved), but says he hopes the carriers involved in the western merger movement will take the long view of the situation. "Failure to maximize the advantages possible under the merger movement may well spell the difference between the long-range survival or failure of the rail industry itself."



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When your freight goes FRISCO **your freight goes!**

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WEEK AT A GLANCE

Santa Fe, CB&Q will step up capital spending

Add Santa Fe and Burlington to the list of roads which will step up capital-improvement programs in 1969. Santa Fe plans capital spending in the $190-million range, up from about $125 million this year. If all projects go through as planned, '69 will be a record-high year for ATSF expenditures, topping 1966 by a few million dollars. Included in the 1969 program will be $39 million for completion of construction of the 2,000-mile Gulf Central anhydrous ammonia pipeline, a project which accounted for $32.5 million in the 1968 capital budget of Santa fe and subsidiary companies. Burlington also plans a substantial increase in spending, from $36.9 million this year to $45.8 million in 1969. Both Santa Fe and Burlington will be heavy on locomotive purchases and on improvements to the fixed plant of their properties.

Meanwhile, the Chicago & North Western placed an $11-million order with EMD for 41 3,600-hp diesel-electric locomotives. In terms of number of units, it's the largest order placed by North Western in 15 years. In terms of horsepower, it's the largest power purchase ever made by the railroad. Delivery of the six-axle diesels, says President Larry S. Provo, "will substantially increase our ability to expedite freight schedules and assure on-time train operations."

British aim for 150-mph turbine trains

British Railways may have 150-mph gas-turbine passenger trains in regular service by 1974, as a result of a recent financial agreement with the Ministry of Transport.

The agreement provides for a total joint outlay by BR and the Ministry of $30 million over a five-year period. Most of the money will go toward further research and development work on the Advanced Passenger Train (APT) and Train Control Systems (TCS) projects. Prototype equipment will be ready for testing in about two years.

Development of the APT and TCS concepts comes at a time when BR has been given authority to manufacture and market equipment to outside purchasers. U.S. railroads are seen as potential customers.

TurboTrain may be seen in Illinois "mini-corridor"

Could the Midwest instead of New England get the Federal Government's expensive high-speed TurboTrain—at least for a short time? Yes, say both the Department of Transportation and the Illinois Central, which has offered to run one of the trains in its 307-mile Chicago-Carbondale, Ill., "mini-corridor," if the New Haven settlement-delay continues.

"We're not going to let that equipment sit around," a DOT spokesman says. "When we saw a possible long delay, we started talking with IC about an interim arrangement. This is another hold card for the Federal Government. We're looking out for the dollars invested. It's foolish to let everything hang on the outcome of the New Haven issue."

Although the Interstate Commerce Commission has ordered NH takeover by Penn Central Jan. 1, PC is waiting for further price agreement with NH bondholders, which may take another month of court settlement, at least. That possible delay, plus NH bankruptcy prompted DOT to look for an alternative for its high-speed equipment, which costs $100,000 monthly under lease from United Aircraft.

A PC spokesman says, "We're prepared to conduct the TurboTrain service—when we take over the New Haven."

However, a court procedure also could delay IC takeover of the TurboTrain. IC's proposed abandonment of its Chicago-Tampa, Fla., "Seminole" is being contested. This must be settled first, says a railroad spokesman.

The situation is one merely of talks, not negotiation, DOT says. Before the TurboTrain went East, Illinois Central asked for tests on its tracks, but was refused.

Meanwhile, the Penn Central and the Department of Transportation announced that "Metroliner" service on a limited scale—one six-car train making one round trip a day—will begin Jan. 16 between New York and Washington.

GUS WELTY

LINES ON LABOR

WHEN TWO RAILROADS propose a merger, the final say belongs to the owners, the stockholders. Managements and boards of directors can propose, but the proposal won't go anywhere if the shareholders say "Halt." So, proxy statements are mailed out, the company's owners mark their "Aye" or "Nay" and mail the proxies back in, and then there's a meeting and the count is announced. Even though the average shareholder is pretty far removed from management or control of "his" company, it's a rare thing when a merger proposal draws less than 90% participation.

FOUR OPERATING UNIONS proposing merger had somewhat the same problem. The final say belonged to the rank-and-file in each union. So, information material was prepared and mailed out and ballots were distributed. All the individual member had to do was to make his decision, mark his ballot, stuff it in a pre-addressed and postage-paid envelope and drop it in a mail box.

IT DIDN'T WORK OUT THAT WAY. The four unions proposing unification as the United Transportation Union claim 280,450 members. About 200,000 ballots were sent out to those members eligible to vote. But when chiefs of the four ops slit open the sealed envelopes and announced the count in Chicago Dec. 10, they couldn't get the grand total—four unions, U.S. and Canadian membership—to climb above 112,795, or about 56% of the eligible list.

MATHEMATICALLY-INCLINED newsmen pointed this out—and then came one of those press-conference moments that reporters treasure. The president-designate of UTU, Charles Luna launched into what sounded like a lecture on civic responsibility: The members, he said, would probably never have a chance to vote on anything more important to their working lives—yet more than 40% couldn't take enough time to follow the simple procedures and cast a ballot. Why, a reporter asked, was this so? Well, Luna observed, making a smooth 180-degree verbal turn, anytime you give good representation, the members are inclined to let the officers run the show.

AFTER THAT, there wasn't much more that could be said. But a few thoughts linger on. One is simply this: As Luna says, the function of leadership is to lead. But the union strength and the industry growth he hopes for may develop only slowly if at all, in the absence of more individual involvement. And that's a problem to be wrestled with by both union and management leaders.

Trailmobile plans entry into leasing

Pullman, Inc., disclosed last week that its Trailmobile division will enter the leasing field through an organization to be known as T/M Leasing, headquartered in Chicago. Trailmobile builds trailers and containers.

Pullman Chairman and President W. Irving Osborne, Jr., said the company had been prompted to extend its leasing activities to the trailer and container field by "the substantial and steady growth" of its Transport Leasing division in the railroad field. He said a year-long survey had shown "a strong market across the country" for the leasing and rental of trailers and containers.

Early in 1969, Osborne said, leasing facilities will be established in the Midwest, East and South. Long-term finance leases, maintenance leases and short-term rentals will be offered.

T/M Leasing will be headed by Carl T. Crumrine as vice president and general manager. Formerly president of Berman Leasing, Crumrine came to Trailmobile in 1967 as vice president, marketing.

"The creation of T/M Leasing is a logical forward step for the world's largest producer of commercial transportation equipment," said Osborne. "Henceforth our transportation-equipment divisions will be offering an across-the-board service that encompasses selling, leasing and rental of rolling stock that moves not only on the railroads, but by highway, sea and air."

ORC&B takes action, labor pot boils

One of three wage disputes still pending could bring trouble shortly after the first of the year—but National Railway Labor Conference Chairman J. P. Hiltz, Jr., doesn't think it will. The Order of Railway Conductors & Brakemen is threatening to strike Jan. 5, after rejecting a proffer of arbitration by the National Mediation Board. Hiltz, however, said Dec. 13 that the walkout "undoubtedly will be postponed" through creation of an emergency board. The Brotherhood of Locomotive Engineers has also turned down arbitration and would be free to act after Jan. 12. The third wage dispute, with the Brotherhood of Railroad Signalmen reached the critical stage as the Signalmen set a strike date of Jan. 16.

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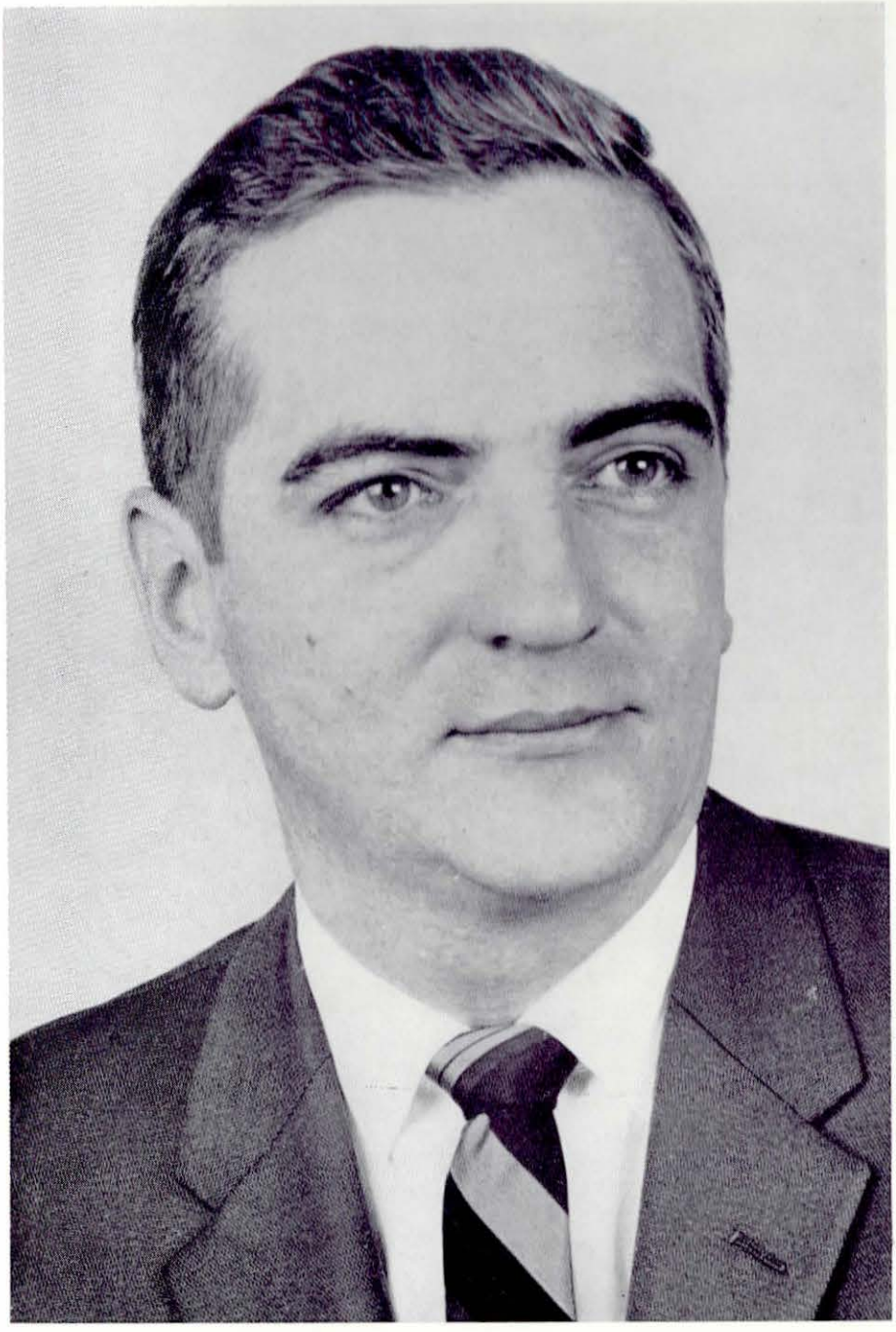

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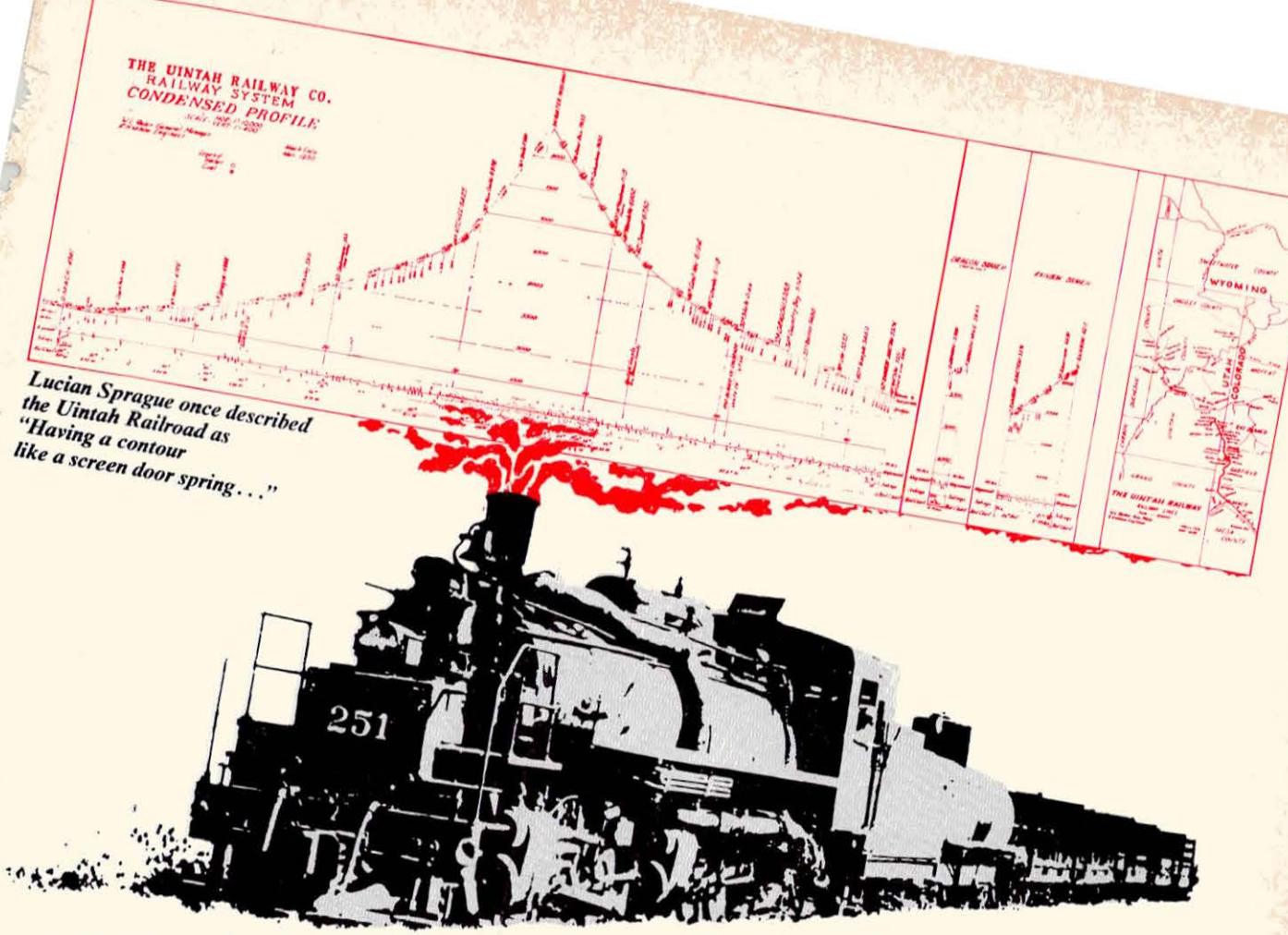

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FreightMaster is 10 years ahead.

Circle 10 on coupon page 44

ESP

Only the Timken Company couples its standard warranty with remanufactured Timken® "AP" bearings.

Remanufactured Timken® "AP" bearings roll the same loads as original "AP" bearings. Under the same conditions. For the same bearing inspection period.

So it makes sense to give every Timken "AP" bearing we remanufacture our standard written warranty.

Under our ESP—Extra Service Program—each prior-service Timken "AP" bearing is remanufactured at the same plant as new "AP" bearings, using the same type supervision, production line set-up, and quality control. Each part is checked and every serviceable part is reused. New replacement parts are identical to those used in new "AP" bearings.

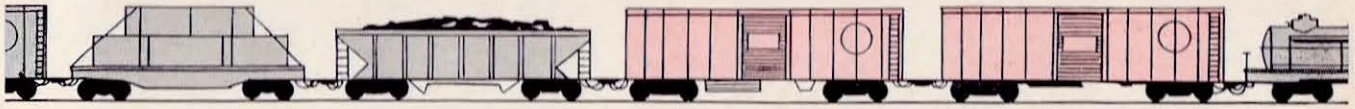
We build quality and performance into both new and remanufactured Timken "AP" bearings through all three of our ESP plans.

For more detailed information about which of our three Extra Service Plans best suits you, call our nearest Railroad Division District Office or The Timken Roller Bearing Company, Canton, Ohio.

TIMKEN®
TAPERED ROLLER BEARINGS

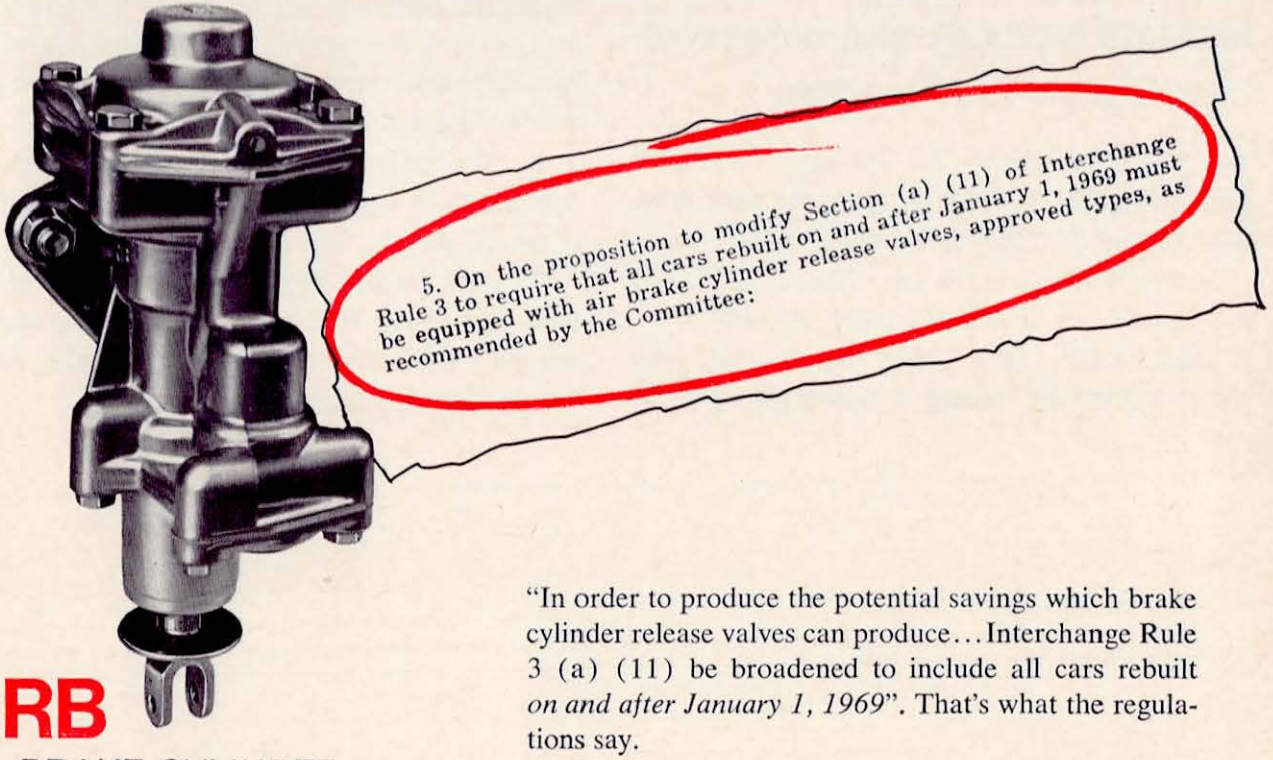
Circle 11 on coupon page 44

Terminal Test in 1/3rd the Time



Time to Charge System for Terminal Test

150 Car Trains—NO Cars Equipped with QRB Valve...50 min.
150 Car Trains—ALL Cars Equipped with QRB Valves...18 min.


5. On the proposition to modify Section (a) (11) of Interchange Rule 3 to require that all cars rebuilt on and after January 1, 1969 must be equipped with air brake cylinder release valves, approved types, as recommended by the Committee:

QRB

BRAKE CYLINDER
RELEASE VALVE

The Brake Cylinder Release Valve was conceived and developed by New York Air Brake Company. QRB Brake Cylinder Release Valve Kits (Left Hand or Right Hand) can be readily mounted on ALL existing AB Valve pipe brackets. Immediately available from stock.

"In order to produce the potential savings which brake cylinder release valves can produce... Interchange Rule 3 (a) (11) be broadened to include all cars rebuilt *on and after January 1, 1969*". That's what the regulations say.

The New York Air Brake Company QRB Valves—certified by the A.A.R. as meeting all requirements of these specifications—are available NOW—with Right Hand or Left Hand Adapters. They're furnished in Kits for greater convenience in installing and ordering. Order QRB Valves to update your cars NOW.

MEMBER RPI RAILWAY PROGRESS INSTITUTE

NEW YORK AIR BRAKE COMPANY
A UNIT OF GENERAL SIGNAL CORPORATION
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If you think you're too far from our railroad to use it...

look again.

Too many people think they have to be practically on top of a railroad to take advantage of its low-cost dependability. Not so. That's why we piggyback. So we can truck right up to your door almost anywhere you are. No other shipping service is quite so convenient, fast, and versatile. And that goes for any product you can load on a truck trailer. Find out what piggybacking can do for you. Just call, and we'll bring our railroad right out to your back door.

SEABOARD COAST LINE RAILROAD SCL

Circle 13 on coupon page 44

WE'RE DELIVERING DOOR TO DOOR

A lot of Northern Pacific thinking goes into developing new concepts of distribution.

One example is our exclusive Big Pasco Plan, which cuts distribution costs in the Pacific Northwest. Here's how it works:

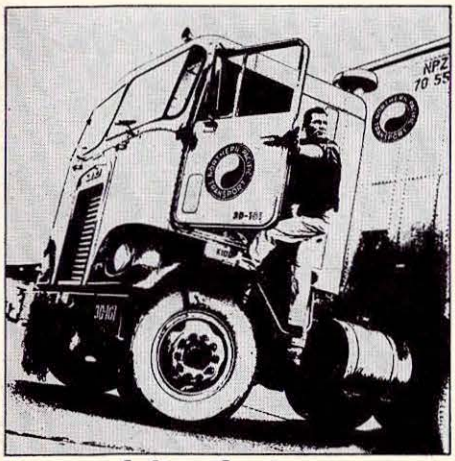
Your freight moves by fast NP rail service from east of the Rockies to Pasco, Washington.

From this hub, we deliver to store doors and docks in 475 Washington, Oregon and Idaho communities. By rail, piggyback or our own trucks. Whichever is best.

We do this at published distributive rates which can save you 11% to 89% in distribution costs over other methods. And if you need it, in-transit storage can be arranged, too.

For a free detailed booklet on the Big Pasco Plan, contact your nearest NP representative. Or write The Big Pasco Plan, Northern Pacific Railway, Central Building, Seattle, Washington 98104.

This is the way to run a railroad. The way we run the Northern Pacific.

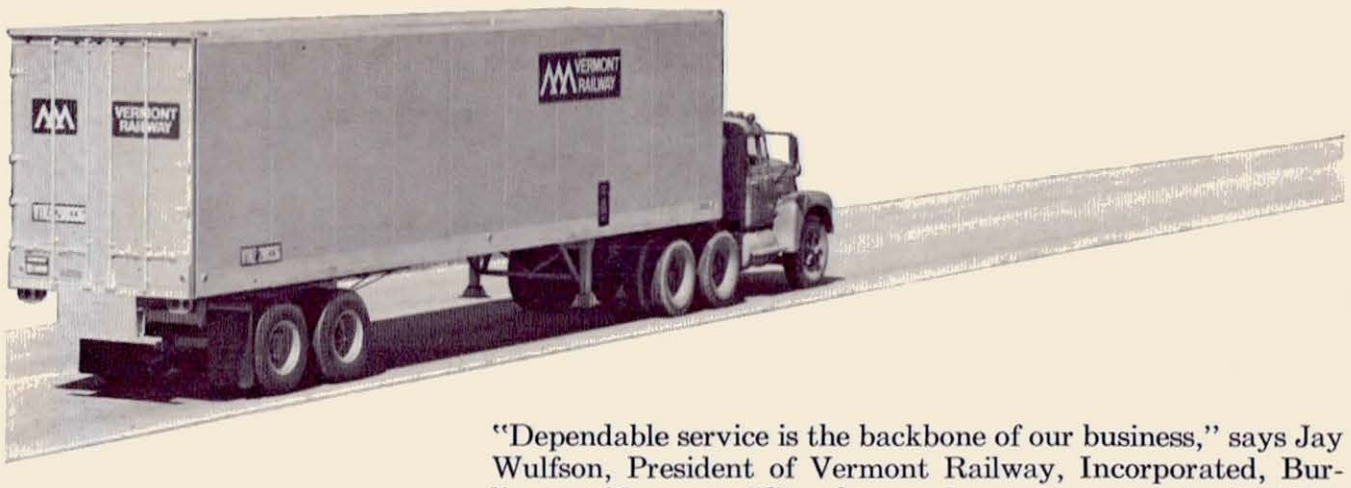


Our total distribution system moves your goods directly to your customers.

WE'RE PULLING A FEW SURPRISES ON THE NORTHERN PACIFIC RAILWAY

Circle 16 on coupon page 44

"We're going strong with 1500 ~~1000~~ Fruehaufs"



"Dependable service is the backbone of our business," says Jay Wulfson, President of Vermont Railway, Incorporated, Burlington, Vermont. "So, when we began our operation in 1964, we made all-round dependability the number-one guideline in our choice of equipment. Fruehauf's reputation for quality trailers—and its nationwide service setup—won us over. Today we're going strong with 1000 Fruehauf piggyback trailers, including our new Z-Vans, with more on order. We are 100% satisfied with our choice."

The Vermont Railway has thrived with a simple formula . . . to provide efficient, economical transportation service for shippers of all kinds. As for Fruehauf Z-Vans, you can get complete details from your local Fruehauf man, or write for free literature. **Fruehauf Division, Fruehauf Corporation, 10942 Harper Avenue, Detroit, Michigan 48232**

Fruehauf Z-Van

J. W. HENDERSON, president of Buckeye International and new chairman of RPI.

NILS LENNARTSON, RPI's president and its full-time executive officer.

W. ASHLEY GRAY, JR., president of General Steel Industries, RPI past chairman.

RPI's new look— and the men behind it

The right men, in the right place, at the right time have made the big difference.

TELLING IT LIKE IT IS

In home territory, General Steel's Ashley Gray tells the story of "The New Railroads" before an audience including leading St. Louis opinion-leaders.

The story of the new railroads is an important story . . . and one that needs to be told. It is hard to comprehend just how tremendously the railroads have developed in the last five years.

More than 50 times in the last two years these words have rung out from platforms across the nation. Eighteen times the speaker has been W. Ashley Gray, Jr., president of General Steel Industries and—as chairman of the Railway Progress Institute—the driving force behind RPI's barnstorming road show, "The *New* Railroads."

Nineteen times the speaker has been J. W. Henderson, Jr., president of Buckeye International and successor to Gray as RPI chairman.

On other occasions, the narrators at these word-and-picture shows have been RPI President Nils A. Lennartson (of whom Gray says: "If we didn't have Nils, we'd have to invent him"); F. L. Bredimus, president of the Dresser Transportation Equipment Division of Dresser Industries, Inc.; Henry A. Correa, president of ACF Industries, Inc.; John K. Records, group vice president of the General Signal Corp.; and R. Van Hassel, vice president and general man-

(Continued on page 51)

WALKER COMPANIES' E. H. WOOD:

"Why my firm switched

What happens when a hitherto truck-oriented chain store company tries railroad piggyback service? It saves the company money and headaches—and the company finds more and more uses for piggyback service. That has been the experience of the Walker Companies, based in Columbia, Miss. To learn the full story, Railway Age Contributing Editor Charles Layng went to Columbia to interview E. Homer Wood, superintendent of traffic and warehousing for the Walker Companies. Here are the questions that were asked and Mr. Wood's replies:

Q. How big are the Walker Companies?

A. Our stores are spread thickly over Mississippi, Alabama and Louisiana, serving all parts of those states. A growing number of stores covers west Georgia and the Florida Panhandle, as well as Texas between Houston and San Antonio. It all started here in Columbia, with one five-and-dime store, established many years ago, but the growth in this decade has been phenomenal.

Q. How many stores are there?

A. In 1962 we had 65 stores. At the end of 1968 there are 185 and we have a target of some 260 stores by the end of 1969.

Q. What about sales?

A. Our total sales rose from $3 million in 1960 to over $30 million in 1968, with some $43 million projected for 1969.

Q. I observe that this huge warehouse doesn't have any rail facilities. How was the large volume of distribution to all the stores handled previously?

A. We were entirely a truck-oriented company until two years ago and relied entirely upon highway transportation. This was a heritage from the time when the Walker Companies was a small enterprise, with a few stores scattered through this area of Mississippi.

Q. What about this huge warehouse addition you're building? Will it have rail facilities?

A. It certainly will— a plan for a rail siding is integral with the construction plans.

Q. When did you begin rail shipments?

A. For some time, as members of the Mississippi Central Freight Shippers Association, we could get pool freight at Jackson on our inbound shipments. When the cost of trucking this nearly 90 miles from Jackson to Columbia rose, and we found we were paying a total of $.50 per hundred pounds, we decided to investigate rail piggyback.

to TOFC"

Q. Have you been able to effect savings?

A. With the assistance of our Gulf, Mobile & Ohio friends, who made some rate studies for us and, later, installed a trailer ramp across the Pearl River from our plant at Foxworth, we were able to make a very considerable saving on inbound shipments, which once amounted to $2 per hundred pounds, but has risen slightly since.

Q. What about equipment?

A. We have rented a number of trailers suitable for piggyback service from the GM&O. Since we began using rail piggyback service inbound two years ago, we have been able to keep our truck-fleet level fairly constant, despite increases in business. We still operate 16 tractors and 24 trailers, the latter used principally for outbound shipments to our relatively nearby stores.

Q. Did your success in using inbound rail piggyback service prompt you to study the outbound movement?

A. It did. Malcolm Jones, my traffic manager, and the GM&O people got together and devised a number of ingenious ways in which we could make use of rail services at considerable savings. The effectiveness of these get-togethers is such that I wonder that more companies do not take advantage of them. Rail piggyback is a very flexible tool. Without it, we would never have gone back to the rails. With it, we're increasing our rail shipments right along.

Q. How long have outbound shipments been going by piggyback?

A. We began just about a year ago and the service has been expanding. For example, we have found a method to have our trailers unloaded at destination by our men and our own equipment. We open new stores very frequently and, in most instances, they are now in Texas or Georgia or Florida, since we already have stores blanketing the nearby states. A new store will usually require about three trailer loads to stock up for its grand opening. Two of these are put on a flat car and sent to destination or distribution point by rail and the third goes out of here behind a tractor—over the highway. Upon arrival at the new store, our tractor disposes of the trailer it has hauled over the road, then picks up the two trailers that have come in by rail and takes them to the destination. This system has worked very well.

Q. What about costs?

A. We operate entirely under Plan 2½. We find that this system of sending two trailers by rail and one by highway, to new stores opening up, works out to our complete satisfaction both from a service and a rate standpoint.

Q. How do you operate as to regular shipments to fill orders from stores already in existence—which would not amount to three trailers?

A. We have our own employees permanently stationed at Dothan, Ala., and Flatonia, Texas, and our own tractors at those points. They serve as our distribution agents there. The man at Dothan services southeastern Alabama stores, the western Georgia stores and the Florida stores in that state's Panhandle. Out at Flatonia, the Southern Pacific has put in a ramp for our use and our man there does the distributing for us.

Q. This method results in less transportation cost?

A. Quite definitely, and so does the arrangement that we have in effect at several of our larger stores in bigger cities such as Lafayette and Shreveport, La., and Montgomery and Tuscaloosa, Ala. Trailers are shipped to these points by piggyback and unload there. Our drivers take a tractor and a trailer over the highway on a route that will enable them to deliver to several smaller stores on the way. When they reach points such as those named, they cut off their new empty trailers, pick up the trailer that has arrived by rail and distribute its contents—largely to the big Walker stores in that city.

Q. Do you feel you've exhausted the possibilities of savings through piggyback?

A. No, because the system is so flexible that our people—and the railroad—are constantly coming up with new suggestions, some of which work and some don't. This company spends a great deal of time and thought on the subject of transportation. As a matter of fact, in addition to truck and rail transportation, we maintain a fleet of four airplanes, one a 16-passenger DC-3, to move our executives around over the vast area quickly. Thus, we hold no brief for any particular form of transportation. We use them all, after study convinces us of their service and economy. That's our criterion and it has led us, for example, to divert more than 800 trailers annually inbound to rail piggyback service in each of the last two years—and there will be more in 1969. The outbound business is growing, too, as we see more and more opportunities to make use of it and create savings. This will amount to some 200 trailers this year and considerably more, probably, in 1969. In addition, the success of rail piggyback operations has induced us to route some 162 box cars inbound by rail instead of over the highway as the business previously moved. And this number will be increased when, in a few months, we have a rail siding at our new warehouse. ■

DECEMBER TRAFFIC POLL

1) How do you expect your company's over-all business in 1969 to compare with 1968?

BETTER	69
SAME	4
POORER	1

2) How do you think your total transportation needs in 1969 will compare with those of 1968?

LARGER	67
SAME	6
SMALLER	1

3) In relation to your probable transportation needs in 1969, how do you expect your total use of rail service to compare with 1968?

RELATIVELY LARGER	48
SAME	20
RELATIVELY SMALLER	6

4) Do you contemplate any major changes in your transportation policies during 1969?

For answers, see text.

Shippers see a busy '69 for railroads

There is no longer much doubt that 1969 will be a near-record year in terms of industrial activity. That activity will create an enormous freight package. Shippers say railroads will get their share—but some of them attach a few "ifs."

The nation's freight bill will be bigger than ever in 1969—and railroads will collect a substantial chunk of it. But danger signals are flying. Major shippers are increasingly worried over car shortages, poor service, rising rates. Some are talking of diverting freight to highways if the situation doesn't improve.

Those are the major findings of Railway Age's annual, end-of-the-year poll of leading industrial traffic managers.

Out of 74 shippers responding to the poll:

—Sixty-nine expect their own business to be higher in 1969 than in 1968.

—Sixty-seven expect their transportation requirements to be higher.

—Forty-eight expect to give relatively more business to railroads than in 1968. Twenty see no change in the level of their rail traffic. Six anticipate that they will give a relatively smaller share of their freight to the railroads.

● **Rates and service.** Those shippers expressing doubt about the railroads' share of their traffic in 1969 most fre-

quently cite rates and service as causes of concern.

Miles F. Tamisiea, general traffic manager of Theodore Hamm Brewing Co., St. Paul, says his company anticipates an 8% increase in over-all business activity next year. But he says railroad freight rate increases "would most certainly cause us to change modes of transportation where the economies dictate."

Albert H. Fearnley, Jr., traffic manager of Dennison Manufacturing Co., Framingham, Mass., anticipates that his company's rail traffic will increase by 15% in 1969. He hopes that service standards will rise along with rates—but right now "It looks to me the more we pay, the poorer the service."

J. Robert Morton, director of corporate transportation and distribution for Combustion Engineering, Inc., Windsor, Conn., estimates his company's transportation bill in 1969 will be about 12% higher than in 1968. His main concern is service: "We are going to put considerably more emphasis, study and work on selection of carriers and routes. Transit time is becoming increasingly important on inbound materials and outbound products. Service is going to be most important for determining carrier selection and routes. Time in transit is important and will become more important to increase cash flow and cash conservation."

O. E. Andersen, general traffic manager of Penick & Ford Ltd., Cedar Rapids, Iowa, expects a larger total volume in 1969 but no increase for railroads, noting: "We expect to be compelled to make more emergency shipments via truck due to car supply and slow terminal handling."

● **Total distribution.** A "substantial" increase in business is forecast by G. F. Mason, director of transportation and distribution for Wyandotte Chemicals Corp., Wyandotte, Mich. While he foresees no major changes in transportation patterns, he goes on to say: "We will be placing more emphasis on the total distribution concept in delivering our products to customers and in receiving inbound raw materials. With increases in freight rates and problems of serving customers under realistic transit schedules, we recognize that to be competitive in the markets we sell, it will be extremely important that we take a good look at all distribution costs and available methods of transportation."

L. H. Martin, general traffic manager of Gould National Batteries, St. Paul, is another who expects a larger total volume of traffic with the rail share remaining even: "Reduced inventories of raw materials will require the use of only those carriers and routes that can give the expected service. Piggyback should be equal to or no worse than one day longer than motor carrier service. I have not found that to be true, generally speaking, in recent months. The rails need to review their piggyback operation schedules and terminal handling."

Needed: Consistent service

Another service complaint comes from D. C. Smith, general traffic manager of Kraft Foods Co., Chicago, who comments: "Our car supply needs will continue to grow in the special fleet areas—e.g., mechanical reefers and grocery cars. The need for dependable, consistent service becomes more acute each year."

More specific criticisms come from Norman F. Smith, assistant traffic manager, Godchaux-Henderson Sugar Co., Mobile, Ala.: "We will require more exact information as to car location, estimated time of arrival, damage reports, and delays. We will expect original billing to be more exact."

● **Diversion to highways.** Loren D. Olsen, general traffic manager, Kaiser Gypsum, Oakland, Calif., is among several shippers participating in the Railway Age Poll who talk of diverting traffic to highways. Olsen expects Kaiser's freight traffic to increase by 5% in 1969, and he says railroads will get their share of the new business. But he warns: "The continuing rail car shortage is causing some diversion of rail tonnage to truck. To combat this rail equipment problem we are moving in the direction of leased rail and truck equipment. Also, to minimize our long-haul deliveries we will probably do some warehousing, moving into the warehouse by rail and then by truck to customers."

D. B. Goodwin, manager of traffic for the Burroughs Corp., Detroit, says, "We will probably use more private carriage in 1967."

Arnold J. Larson, general traffic manager of Masonite Corp., Chicago, plans no change in present rail-shipping patterns—"unless rails fail to supply required equipment and unless rail service deteriorates. In that case, we will have to increase trucking."

A. F. Raymond Cook, general traffic manager of the Ludlow Corp., Needham Heights, Mass., speaks of the "possible advent of private trucking for the corporation."

James J. Mitchell, traffic manager of Coca-Cola USA, Atlanta, says: "Continued emphasis on small shipments (up to 500 pounds) will eventually cause expanded use of destination distribution functions or facilities. Expansion of motor carriage involves use of line haul by piggyback and/or private truck between origin and distribution point."

E. K. Minear, director of purchasing and traffic, American Zinc Co., St. Louis, expects larger volume in 1969 but no increase in the railroad share due to "some diversion to truck because of continuing railroad rate increases."

● **Contented customers.** A shipper happier than most with existing conditions is Edward L. Hanson, traffic representative, Chevron Asphalt Co., Baltimore. His forecast for the new year:

"With the rail carriers making rates more competitive in volume movements, we anticipate an increase in tonnage for 1969. While the number of tank cars we ship may be smaller in number, they will be increased from 10,000 gallon tank car to the 22,700 gallon tank car. We feel the rails will receive much greater revenue."

Another satisfied customer is Dudley J. Russell, director of transportation for the Minneapolis Grain Exchange. He expects "more rail, less truck" volume in 1969, commenting: "The northern lines are proposing substantial truck-competitive reductions in grain gathering rates to the Twin Cities and Twin Ports with no stops for inspection or reconsignment. This should result in a considerable increase in railroad and a decrease in truck movement of grain." ■

RPI
RAILWAY PROGRESS INSTITUTE

What's the best shipping formula for P_2O_5?

PS-2SD.

The chemistry of economical phosphate shipping was an unsolved equation in 1964. Increased demand created a transportation challenge for the railroads, and Pullman-Standard's Industrial Marketing Department.

Together, through a study of shipper and receiver problems, a solution was reached.

Today, Pullman-Standard PS-2SD Covered Hopper Cars serve the phosphate industry. They have low profile design, specially placed roof hatches, and maximum cubic capacities to achieve full transportation economies.

The PS-2SD may not be the answer to your particular shipping problem. If not, there's a host of Pullman-Standard Marketing, Research and Engineering people ready to work with you in solving your shipping equation.

If you want to see this part of us in action right now, ask us what's happening in the appliance industry.

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WORLD'S LARGEST RAIL CAR MAKER
200 South Michigan Avenue, Chicago, Illinois 60604

A Division of Pullman Incorporated

LUTHER MILLER

AS THE EDITOR SEES IT

THE BOYD LEGACY—The new Secretary of the Department of Transportation will have one big thing going for him: Alan Boyd's groundwork. As the first secretary of this newest of Cabinet-level offices, Boyd has been able to put together, despite stringent budget limitations, an exceptionally able organization.

FLEXIBLE BUT FIRM—A man of towering personal integrity, whose approach to transportation problems has been at once philosophical and common-sensical, always flexible but never wishy-washy, Boyd has drawn into DOT men of the same stripe. Men such as A. Scheffer Lang, the Federal Railroad Administrator, who never forgets that any champion of the railroads must first be a champion of the public interest (a posture which some shortsighted railroad men have been unable to forgive him for).

NO HIGHWAY HENCHMAN—Boyd and his crew have not won a hallelujah chorus from any of the various modes whose destinies they must help to mold. Railroaders complain that they usually end up a poor also-ran in any contest for DOT's time, talents and money. Airline men, trucking men and waterways men have been, at one time or another, equally unhappy—especially the trucking men. Boyd did not endear himself to the highway lobby with such statements as, "We've got a bucketful of money for highways, and only a medicine dropperful for the rest."

DOT'S PROBLEMS—Unquestionably DOT has not lived up to the highest hopes of those who championed its creation. Why? Forbes magazine suggests that the reasons have been two-fold: (1) the highway lobby and (2) the Vietnam war. Boyd can hardly be blamed for the continued existence of the former, though he is mightily to be praised for trying to tame it; as for the latter, Boyd is more acutely aware than anyone else of the squeeze the war has put upon high-priority items in his own department as well as others.

THE SPADEWORK—Boyd's successor will have to cope with all of these problems. But his job will be made easier by the fact that Boyd and his young, dedicated staff have done the spadework. They have established meaningful ground rules for the very serious game of transport rationalization that lies ahead. They have helped to create a climate of concern over the nation's transport capability that gives at least a glimmer of hope for the future. With his medicine dropperful, Alan Boyd has not been able to accomplish miracles. But at the very least, he has turned an impossibility into a probability.

Gold Spike centennial plans set

Plans for a nationwide observance of the Golden Spike Centennial—the 100th anniversary of the completion of the nation's first transcontinental rail link—have gone to the White House.

Thomas M. Goodfellow, president of the Association of American Railroads and chairman of the Golden Spike Centennial Celebration Commission, personally delivered the Commission's report to President Johnson on Dec. 17.

Goodfellow told the President that re-enactment of the driving of the Golden Spike at Promontory, Utah, next May 10 will be "as authentic as we can possibly make it."

He noted that Promontory has long since been by-passed by the railroads; tracks were taken up and used for scrap iron during World War II. But Goodfellow said a new mile-long section of old-type rail has been relaid on the original roadbed, and replicas of the engines that met there a century ago—the Jupiter and No. 119—will stand nose to nose on these rails during the commemorative ceremonies.

The AAR president added: "Descendants of Utah pioneers who helped build the railroad, dressed in costumes of the period, will take part in the program. And we've arranged to borrow the original golden spike, a companion silver spike and a silver maul from the Stanford University Museum for the re-enactment. We're also working with Western Union to re-create the coast-to-coast telegraph network that was 'tuned in' to Promontory a hundred years ago to give the nation a running description of what was happening. We plan to send out the same series of messages that went out over the wires that day in the first nationwide, on-the-spot 'broadcast' of any event in history."

Goodfellow said the National Park Service will dedicate a segment of the original roadbed and one square mile of land in the Promontory area as a National Historical Site.

The Southern Pacific will run a special train to Utah for the May 10 ceremonies, stopping en route for the dedication of plaques at cities in California and Nevada which trace their beginnings to the coming of the railroad. The Union Pacific will operate a steam locomotive between Salt Lake City and Ogden for one week during the celebration period. ■

PROFITABLE LCL TRAFFIC on the SCL includes such things as paint in cans, and a wide variety of household appliances.

SCL finds big money in small packages

Merchandise traffic pays off for the Seaboard Coast Line and its shippers because of new rates, facilities and schedules.

Shippers of merchandise traffic have found a friend in the Seaboard Coast Line. The friendship is based solidly on new facilities, rates and schedules—all of which mean better service.

Here's how it was done:

In 1967, the Seaboard Coast Line handled 224 million pounds of merchandise traffic. The amount of this traffic steadily increased this year. It was running some 15% over last year through October 1968, the biggest tonnage month since the current all-out solicitation campaign for LCL was inaugurated by the Atlantic Coast Line in 1962-63.

● **Opening up.** On Jan. 1, 1968, the southeast Florida area was opened up through the provision of facilities in Miami and the inauguration of shipper-attractive rates and schedules. The exten-

sion of fast LCL schedules to the area —as in the case with every extension of this service—was not made until traffic potentialities had been carefully studied by a special committee. The committee's favorable report has been confirmed. LCL traffic into southeast Florida has increased every month since the service was installed on the first of this year—it's now running at over 3 million pounds a month.

The same service, installed in August 1968, to certain points on what was formerly the Seaboard Air Line, included 17 new stations in North Carolina. In Virginia, Portsmouth and Norfolk were added. Three points were also put on the list in South Carolina. This brings the number of points of service on the SCL to 370 in the six states it serves.

● **It's profitable.** Why, with all other Southeastern railroads having phased out their merchandise service completely, does SCL persist not only in maintaining it, but actively promoting it? President Thomas Rice answers this question by saying: "As we conceive the Seaboard Coast Line system, it's a complete transportation service, or as nearly so as we are permitted to make it. Not only that, but the LCL service makes money for us."

Mr. Rice's statement is backed by a solid phalanx of facts. The SCL's LCL tonnage is way up, the revenue from such traffic is high and increasing. At least three committees—consisting of representatives of the accounting, traffic, operating and freight station services—have made exhaustive studies as to the profitability of handling LCL traffic. They've all come up with the same answer. Merchandise traffic *is profitable*—if it's handled in the manner SCL handles it.

What about damage claims—which are alleged to run so high as to eat up all LCL profits? SCL has discovered that, in piggyback handling such as it provides, the claim percentage drops steeply. The increased revenues, furthermore, have permitted the purchase of modern, efficient equipment for handling such traffic in the freighthouses, thus further reducing the damage claims.

All the old, heavy wooden floats have been replaced by modern, lightweight, aluminum floats. Freighthouse platform trucks have been renewed and there are up-to-date mobile lifts. For example, one of the commodities responsible for a sizeable increase in merchandise tonnage is rugs. The former method of handling rugs was not economical. They had to be spread out over at least two platform trucks and two or three men had to be used to balance them on their journey down the sometimes narrow aisles of the freighthouse. Now the rugs are placed on special rug poles attachable to the trucks, so that narrow aisles no longer interfere with the handling.

● **Education is important.** The rug situation is only one example of how freighthouse handling has been improved. This, coupled with the intensive freight-handling educational campaign introduced by the superintendent of freight stations, has resulted in continuing declines in freight claims as a percent of the revenue total. The LCL traffic dollar now remains largely in the classifications of net revenue instead of being frittered away in claims.

What about the large amount of "balloon" freight that nobody likes to handle? This is the stuff that weighs little or nothing, but takes up a large amount of space. T. R. Cheney, manager, merchandise traffic, says that, at the start, such traffic constituted far too large a percentage of the rail merchandise traffic to permit large profits. "Things have changed, though," Cheney explains. "This change began after the first few months of the campaign. We convinced shippers we could give them fast service on LCL traffic, that we were vitally interested in such traffic. Now our merchandise traffic consists preponderantly of high density commodities—anything that may be found in department stores, drug and hardware stores."

Cheney points out that chain store traffic managers have been particularly interested in promoting the service, since the motor carriers have only one freight bureau where rate adjustments upward and downward can be made and the handling of merchandise by railroads gives competition in rates; a healthy situation.

What about an increased number of employees? About the time this campaign was started on the SCL the number of employees was about 23,000 and is now down to 22,000. "This one-thousand decrease is almost entirely represented by retirement of employees, and certainly indicates there has been no undue increase in freighthouse employees," Cheney says.

Since all merchandise is handled piggyback, it can be fitted in well with the tremendously increased regular piggyback service and schedules on the SCL. Trailers loaded with merchandise traffic are economically and efficiently handled on fast piggyback trains already operating for trailer-load freight.

● **Ramps are available.** Unless and until merchandise traffic so outgrows present facilities, the added expense for construction to handle the freight is minimal. There are already unloading ramps at all distribution points for unloading trailer-load piggyback traffic.

The volume of LCL freight into

LET'S GO LCL!
Trailers await loading with merchandise at

southeast Florida grew so rapidly after the service was installed that, within a few months, it had reached 3 million pounds per month. To give better service, a facility was established in November at Fort Lauderdale, north of Miami, in an existing freight station, to handle distribution work at Fort Lauderdale and for points north to and including Pompano Beach, which had previously all been handled from Miami.

Growth at Jacksonville had been so great that modifications and alterations are being made at what was the former Seaboard Air Line facility for better handling.

In the course of developing the merchandise sales campaign, a prime consideration was the education of the freight sales force as to the proper ways to solicit merchandise traffic. The manager of merchandise traffic has an assistant at headquarters. He also has five merchandise managers scattered at various points on-line, as well as an eastern merchandise manager in New York to contact on and off-line representatives.

When the campaign started, there were numerous sales representatives who had never solicited LCL traffic, but this situation no longer exists. The various merchandise specialists have accompanied them on many calls on shippers and a constant and successful effort is being made to keep them on their toes, so far as LCL is concerned.

● **Value of publicity.** When new service points are opened, news releases are sent to the newspapers in the city involved. These are not general releases, but personalized, individual

the Seaboard Coast Line's distributing station in Waycross, Ga.

presentations to the editors, which spell out what the new service can do for local shippers, citing chapter and verse as to just what the new service can do in the way of first- or second-morning delivery to distant points. These localizations of news releases resulted in much publicity when new stations were opened last August. Newspapers of all the towns involved carried prominent items—largely because of the news value of a railroad broadening its LCL service, instead of abandoning it.

The merchandise salesmen do not limit themselves to LCL, although that is their primary concern. They have developed large tonnages of trailer-load and carload traffic as a result of their sales efforts.

A peculiar phenomenon has been observed in the sales of LCL traffic. Points to which the service was established entirely for inbound traffic, since no LCL traffic ever emerged from these cities in the past, have suddenly started shipping out LCL from new industries established in recent years.

● **The truckers' role.** The interline service has an interesting history. Gradually, as all railroads except SCL began phasing out LCL service in the Southeast, it became more and more necessary to make arrangements with over-the-road truck companies if interline service was to be continued.

SCL was in a favorable position in this regard, because the movement of LCL traffic to most of Georgia and all of Florida was overwhelmingly inbound. Truck lines not operating in Florida had great difficulty finding connections who would deliver in Florida —except for Jacksonville, for example. They proved quite amenable to making agreements with the SCL for handling merchandise over rails under Plan V.

This has increased Plan V traffic through Atlanta materially, particularly since the Louisville & Nashville abandoned its LCL service. The SCL has large and powerful truck company connections that exchange freight with the railroad from and to points roughly north of the western Texas border to the Canada line. From this western boundary, the SCL, through its membership in the Southern Motor Carriers Conference and the Central and Southern Motor Freight Traffic Bureau, and other groups, has access to any point in the U.S. east of the line mentioned previously.

SCL can also handle transcontinental LCL freight through its arrangements with the Missouri Pacific-Texas & Pacific and the Santa Fe. While neither of the latter two railroads has any direct connection with the SCL, a rail "bridge" has been established to connect them, via the L&N. L&N picks up piggyback cars loaded with LCL from SCL at Montgomery, Ala., and takes them to New Orleans, where it delivers them directly to the MP-T&P freighthouse. The L&N also takes such traffic from the SCL at Atlanta, hauls it to St. Louis for delivery to the Missouri Pacific there, either for points on the MP or for delivery to the Santa Fe at Kansas City for transcontinental movement. Since it has phased out its LCL operations, this freight moving over the L&N is strictly on an overhead basis and it never enters an L&N freighthouse (except joint facilities operated by the SCL and the L&N).

● **Importance of Atlanta.** Under these arrangements, Atlanta has become a major interchange point for LCL traffic. The amount handled there, with over-the-road truck company connections under Plan V, now amounts to three million pounds per month and is steadily increasing.

Other Plan V interchanges with motor carriers are at Richmond, Va. and Birmingham, Ala., with a relatively small amount also at Florence, S.C., and Savannah, Ga. Another Plan V interchange recently established at Charlotte, N.C., has galloped to the fore so rapidly that it's now the second heaviest tonnage handler on the SCL.

The Seacoast Transportation Co., a wholly-owned subsidiary of SCL, supplies a large amount of the pick-up and delivery service for the parent company, with some 50 P&D vans under lease currently. STC also has 65 tractors now operating for over-the-road service from the distribution points to the destinations. The leasing arrangement was entered upon because the increasing traffic may require additional equipment at any time, which is readily obtainable under the lease and does not stand idle when the traffic is off, seasonally or otherwise. The Seacoast Transportation Co. also supplies a valuable back-up service. When any of the hundred or so carters who handle local P&D under contract go out of business or cease operations because of any reason, the Seacoast is able to step in and continue the service until a new carter can be put under contract.

● **Maximum service.** The distribution points have been set up throughout the system, to supply the maximum service. Trucks fan out over the road from them so as to service all 370 points where service is supplied. Such distribution points differ markedly in many instances. For example, at Jacksonville, most traffic handled is local, both inbound and outbound, whereas, at Tampa, the opposite is true, since Tampa is surrounded by a number of sizeable cities, including St. Petersburg, Clearwater and Sarasota.

What some observers might call an overwhelming weight of opinion seems to be that there's no money in merchandise traffic handled on rails. The Seaboard Coast Line, however, says its particular geographical location and other factors may tend to make it more susceptible to profits from merchandise than other railroads.

Freight revenues on the Seaboard Coast Line for the first nine months of 1968 were $288,631,000, compared with the comparable 1967 period of $273,025,000—an increase of $15,606,000, or 5.7%. There is no doubt that the merchandise traffic campaign played its part in this increase. ■

Crew-size dispute goes back

By **GUS WELTY**, Senior Editor

Emergency Board 172 has, in effect, a one-word recommendation for settling the crew-consist dispute between the Brotherhood of Railroad Trainmen and Illinois Central, Louisville & Nashville and Belt Railway of Chicago. The word: "Negotiate."

The board, headed by Msgr. George G. Higgins, submitted its report to President Johnson Dec. 13 in Washington. Details were announced the next day from Texas. Both the BRT and the railroads promptly accepted the report.

What the negotiating will accomplish may be something else. The board's report, heavy on philosophy but light on specifics, suggests only that (1) the dispute be bargained-out locally, crew by crew, terminal by terminal, district by district; and (2) crew-consist guidelines developed by Arbitration Board 282 more than five years ago be used by the parties in their negotiations.

● **No compulsion, no cash.** The board does not suggest compulsory arbitration of unresolved issues. Nor does it regard the carriers' money offers as proper subjects for inclusion in the negotiations.

Over-all, Board 172 gives both the union and the railroads low marks for their past bargaining efforts: "The conclusion becomes clear and inescapable that the parties have not . . . bargained responsibly and creatively in a conscientious attempt to resolve these disputes for themselves." It's the board's primary proposal, that "the parties concerned immediately resume negotiations on their respective properties in a conscientious attempt to resolve the matters at issue without further delay."

Adding weight to the "no-delay" urging is the simple fact of the Railway Labor Act timetable under which disputes are progressed: BRT and railroads alike will be free to resort to self-help 30 days after presentation of the board's report, or on Jan. 12.

● **"We suggest . . ."** In its study of the dispute, the board sat through nine days of hearings. It developed a transcript of more than 1,400 pages of testimony and argument. It filed 65 exhibits. Its report runs a bit more than 13 pages, and concludes with these "recommendations and suggestions:"

—"We suggest that the issue raised by the Section 6 notices filed by the parties, and the issue toward which bargaining attention should now be directed in good faith, is the consist of crews, not the subsequently introduced counterproposal of appropriate additional compensation for members of such one-and-one crews as may remain after the basic issue of crew consist is resolved. It is the judgment of this board that negotiations on the crew consist issue now present by virtue of the Section 6 notices already filed will be better served by the laying aside of this money issue."

—The parties "must expect to negotiate a rule specifically governing the consist of crews; the request for a rule giving management the unfettered right to determine crew consists under any and all circumstances and in all classes of service is unrealistic at this time. We think the findings of the Presidential Railroad Commission and of Arbitration Board 282, that the employees have a legitimate bargaining interest in this question, are still valid."

"Crew by crew"

—"We suggest that the 'guidelines' set forth in the award of Arbitration Board 282 be accepted as the guidelines to be followed by the parties in their negotiations concerning the proper consist of crews on these properties, crew by crew, terminal by terminal and district by district."

—Serious consideration of experience under the rules established by the arbitration award "should help the parties to engage in realistic and informed bargaining."

—Considerations of safety and work burden "properly enter into the determination of the crew consist required on any job. But these factors, we think, are better appraised crew by crew and job by job than by averages and general statistics. Evaluation of the safety and work-burden factors on particular jobs, just as the use of other guidelines, is a matter for joint consideration by the bargainers on the properties."

—"We have been urged to recommend, as did the Presidential Railroad Commission, Emergency Board 154 and Arbitration Board 282, some method of achieving finality in resolving disputes over the consist of particular crews, preferably the mandatory referral of disputed cases to neutrals. It is our conclusion that, under the circumstances now prevailing, insofar as possible, this board should decline to interject itself into the bargaining process on the properties. We are of the opinion that this matter, too, should now be left for the parties to determine through collective bargaining. If the parties choose to agree upon some form of a referral of disputed jobs to neutrals, they should do so. If they prefer a different solution, they should be free to seek it."

—The parties should recognize "that the proper consist of crews is necessarily a continuing problem, requiring the continuing attention, joint study and negotiation of both parties." Arrangements should be made "for continuing, periodic re-evaluation and adjustment as changing circumstances dictate."

● **"Recognize the urgency . . ."** For its final recommendation, the Higgins board goes back to the 1963 report of Emergency Board 154, which observed that "there has been an unfortunate tendency . . . to postpone real collective bargaining until the final hour. That hour is about to strike." Msgr. Higgins and his fellow board members, Byron R. Abernethy and A. Langley Coffey, agreed: "We again press the parties, as we did during our mediation efforts, to recognize the urgency of the situation with which they are now confronted. Questions which can be settled at the final hour can be resolved and should be resolved in the interest of the nation and in the self-interest of these parties before the final hour strikes."

Assessments of the report did not come easy. One observer termed it a non-report. Another tried to weigh plus and minus factors—for instance, the reliance on the guidelines of Arbitration Board 282 on one hand, and the seeming preoccupation with prior "settlements" on the other—and he came up with no firm conclusions.

● **What's called for?** One of the three railroads involved said the board was calling for "that type of bargaining that we have repeatedly urged—truly local bargaining, crew by crew, on the bases of safety, work burden and experience for the past four years with reduced crews."

As for the board's recommendation that the "money issue" be dropped at

to negotiations

this time, there was this comment from a railroad spokesman on the Belt: "We believe that the concept of additional pay for employees on small crews would provide a just basis to dispose of this controversy, but the board suggests that this proposal be laid aside. We are, of course, willing to do so if that is what the union believes is in the best interests of the employees it represents. But in fairness to our employees, we are not withdrawing the money offer, which was conceived in the spirit of 'creative imagination' that the board suggests the parties must bring to bear on the issues."

● **Board 172's overview.** In reasoning its way through to its conclusions, the Higgins board dwelt at length on several broad points which deserve a close look—first, the matter of bargaining to finality, and then the industry-context into which the BRT tried to fit the IC-L&N-Belt case. The board took an approach which tended to inter-relate the issues.

Msgr. Higgins and his colleagues make these three points at the outset:

—The proposals in dispute "are practically identical with those served in 1959 and 1960, which were before the PRC. The issue is precisely the same."

—Neither party to the dispute "professes to want crews undermanned or overmanned, but therein, of course, lies the core of the dispute."

—The dimensions of the problem facing the board "cannot be measured in terms of the number of railroads and employees involved. The dispute can only be properly judged in the context of its history."

In this historical context, Board 172 recalls that "three Presidents, the Congress, the courts, a Presidential Railroad Commission, various boards and other tribunals have been drawn into the controversy. All have made lasting contributions. However, at the end of their productive and painstaking labors, all of our predecessors were agreed that the matter can best be resolved with finality through the conscientious collective bargaining efforts of the directly interested parties."

● **How arbitration developed.** Throughout the dispute, the board notes, the unions have rejected "the idea of surrendering their statutory powers to negotiate and make agreements, and the vesting of that power and final authority in some tribunal, permanent or temporary. The President and the Congress reluctantly forced such a temporary measure upon them in 1963, but only in the face of compelling evidence that the peace and tranquality (sic) of the nation were threatened because the carriers and the duly constituted representatives of their employees, bargaining nationally, could not settle the crew consist issue, among others in controversy, without a test of their economic strength."

The solution in '63 was passage of PL 88-108 and the creation of Arbitration Board 282, which subsequently set guidelines to be used in individual-property negotiations on crew consist and, if necessary, in individual-property arbitration of unresolved disputes.

The Higgins board says the guidelines are "among the valid and lasting contributions" made by the arbitrators. But, it adds, the arbitration awards "resulted in an uneasy peace. Employee representatives were impatient to be free of restraint. Attempts to resume negotiations led to litigation which prolonged the division of forces and widened the breach."

Earlier pacts cited

While this in-fighting was going on, Board 172 declares, "notable progress had been made in collective bargaining. . . . A significant breakthrough was the agreements between the BRT and certain major railroads in eastern territory —the Luna-Saunders Agreement of Jan. 28, 1965, and the Luna-Tuohy Agreement of March 22, 1965—which established a basic crew size of one conductor and two brakemen on the railroads which were parties to those agreements. Collective bargaining, rather than litigation, became the order of the day on those eastern railroads, and for them the crew consist issue was successfully put to rest, at least until 1970."

● **Comment without qualification.** The board does not mention the quid pro quo in those agreements—the withdrawal of opposition by the union to repeal of state full-crew laws. Nor, in its continuing recital of history, does it go into detail regarding subsequent developments. The course of the dispute to date is summarized only by the comment that "since the right to strike was restored in January 1966, there have been additional final settlements of the crew consist dispute. At the time of the hearings . . . a total of 85 of the nation's major railroads and switching and terminal companies or divisions thereof had adjusted and settled their own disputes without outside intervention."

What this means, the board says, is that railroads employing 75% of the industry's manpower, employing 80% of the BRT's membership and operating about 66% of the nation's railroad trackage, have reached agreement with the union. IC, L&N and Belt, on the other hand, account for about 6% of total employment, BRT employment and mileage.

Without further comment, the board also observes that "the roads of these three carriers operate through or are in the territory of and in competition with some of those line-haul and switching and terminal railroads on which settlements have been made."

● **"We see no reason . . . "** Then, tying together the question of arbitration and the question of ability or inability to agree, the board says:

"Since Arbitration Board 282 issued its award . . . the BRT and carriers representing the great bulk of this industry have bargained solutions acceptable to the parties involved. The BRT and the three carriers involved in this dispute have not done so. We see no reason why this segment of the industry should have a continuation of the interim procedures which other carriers and the BRT have not found it necessary to perpetuate; or why the parties to these disputes should not now, as contemplated by the award of Arbitration Board 282, consummate agreement disposing of the issue on these properties.

"Ultimately, unless a policy of indefinite compulsory arbitration of major disputes is to be adopted for the railroads of this country, this issue must be resolved by the interested parties bargaining to a conclusion. After 10 years of interim expediments pointing toward this solution, it is clear to this board that the time has arrived for these parties to do just that.

"In the context within which these disputes must now be considered, we fail to see how this board can make any other recommendation without having a seriously disruptive influence on the stabilized relationships already jointly achieved in the industry by other carriers and this organization." ■

Special Report to the United States Congress

Oct. 7, 1957

RAILWAY AGE *weekly*

OUTRAGE

Keeping the railroads in chains is putting shocking limitations on America's development

50 cents A Simmons-Boardman TIME SAVER Publication

Who's kidding whom...

...that trucks, cars, and buses could carry the full load

Trains have been, are, and must continue to be the bedrock foundation on which America is built.

E[illegible] these days, the happy sounds of prosperity fair across the land. The nation's factories and farms take to road stocks of supplies and pour out goods in a fantastic river—a river that reaches into every city and hamlet. Yet every weekend of this output, every refrigerator, every load of coal, every grain of wheat must be moved from where it's produced to where it can be used. Without modern transportation, this country could not prosper. No other area of the world depends on transportation as North America does.

It is not difficult to assay the value of America's railroads today. They alone provide the really vital low-cost long-and-short-haul mass transportation. They keep prices from booming, safeguard nationwide markets and protect millions of jobs. Without trains, west coast fruits would have no market in the east; prices of midwest produce would soar in the west. Basic raw materials would skyrocket in cost. Take a look at a single figure: to move a ton of freight a mile costs an average of 1.3 cents by rail, over three times that much by highway.

The last war gave us a good look at the basic importance of trains. With autos rationed, gasoline rationed, tires rationed, where would we have been without our trains?

Our railroads have the built-in capacity, the flexibility to expand swiftly, expertly and safely to service transportation. Proof[illegible] the industry still takes proudly of what it did in World War II. Unlike trucks, or airlines, or automobiles, or other transportation agencies, the nation of the railroads enabled them to accomplish a modern transportation miracle. Faced with the same shortages, the same interruptions to materials and manpower, they doubled their top-mile output in two [illegible] previous. Look at the record: they moved nearly twice their postwar volume of freight and better than three times their pre-war passenger traffic.

Without the railroads' inherent resilience and adaptability, America couldn't have made the grade. Detroit's tanks could not have won battles in Germany. If the wartime experience proved anything, it's this nation's debt to a strong and modern railroad system. The country simply must keep its defenses ready.

Yet the railroads today are being choked to death by inequalities and an archaic system of regulation established in the last century. If this strangulation of our "low cost mass transportation carrier" continues, what will be the future of our cities, our highways, our defense, our ability to compete for world markets?

What's happening to the railroads? For those expecting, many of them are having to construct and [illegible] renewals. There are today 40,000 fewer freight cars than just ten years ago; 7,000 fewer passenger cars than when World War II began. Trucks in service have declined by 15,000 units since 1940. To get it bloody, our railroads are having a tough time trying to hold their own, to stay as big and as vital as they once were. An industry grows or it goes. Restrict the railroads, bind them, hold them back, keep them non-competitive in a competitive economy and who gains? Nobody, for very long. As railroads ride into a series of misunderstanding, intervention and neglect, so does every profiteer and every consumer, every citizen and every city.

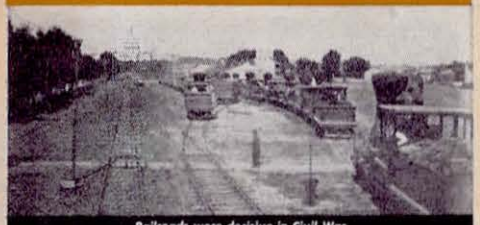
Just see how desperate the railroad situation really is——→

To a long series of

Picture History of U.S. Transportation

April 7, 1958

RAILWAY AGE *weekly*



Railroads were decisive in Civil War

How Railroads Got in Trouble

- Efficiency creates a monopoly
- The monopoly is tamed
- The monopoly is broken
- But the railroads are still treated as monopoly

60 cents A Simmons-Boardman TIME-SAVER Publication

Local transportation . . .

. . . continued in noise by rail during the period the railroads were demonstrating their enormous advantages for mass transportation. From the very beginning, railroads were common carriers, which meant they handled the retail jobs—the few passengers, the few tons of freight for a few miles—as well as the mass transportation they were making a reality. The fact was no one else could do even the local jobs as well.

Even the riverboats . . .

. . . Boating [illegible] through they might be, could not seriously challenge railroad dominance of transportation. As with the canal boats, it was a matter of friction. The rolling friction of steel wheels on steel rails is much lower than hydraulic friction of hulls through water, except at very low speeds. The railroads can in the valleys to direct competition with the steamboats on the rough-flowing rivers. The railroads got most of the traffic because their efficiency let them move traffic at lower unit costs.

Efficiency Creates a Monopoly

Horses gave way to horsepower

Before the steam railroad, western travel was difficult and dangerous. To cross the continent, elaborate caravans had to be organized. No one calculated the glacier because the area couldn't grow crops worth carrying to market.

The steam locomotive changed all this. In opening the west to settlement, it also made the settlers dependent on it.

Railroads went anywhere and moved everything. Efficient inland mass transportation had been born. The economic map of the nation began to change. Distance was no longer a bar to commerce.

At first, railroads functioned in very people and packages from a town to its neighbor. Cars were simply wagons fitted with flanged wheels, and railroads themselves were little more than tracked highways. The real potential of overland mass transportation was not understood.

Gradually, people began to understand that traveled chipmunk was very little more to move than carloads. The original local lines were welded into systems for through movement. When the eastern trunk line systems were completed to the Middle West before the Civil War, these lines diverted most of the traffic from the Erie Canal and upper Mississippi waterways. The efficiency of the flanged wheel on the steel rail gave the railroads an enormous advantage over all competitors.

pioneering issues, add...

Special Report: Survival

March 24, 1958

RAILWAY AGE *weekly*

Both railroads and their employees are caught in a trap—and they can't stay in it much longer

60 cents A Simmons-Boardman TIME SAVER Publication

THE TRAP:

The twists and turns of history have caught the railroads and their employees in a death trap . . .

Right now railroads and their employees are fighting for their business lives. Traffic is down, employment is down. Congress is studying what should be done about over-regulation, subsidized competition. But there is one problem that railroads and their employees must deal with themselves.

Wasteful work practices are costing U.S. railroads over $500 million a year, by conservative estimate. Some put the excess cost even higher.

Out-of-date work rules are the principal culprits. In an age of hot-shot freights, 100 miles is still a day's work for a freight engine crew. Firemen still ride on diesels long after the coal fires have gone out. Tight fences have been built around many railroad jobs—resulting in millions of dollars in penalty payments for time that nobody worked.

It isn't a question of assigning blame. It takes two to sign a work rule—so both employees and employers are involved.

The real question is—how does the railroad industry, including its employees, get out of the box it's in?

"We as employees," says Grand Chief Engineer Guy L. Brown of the Brotherhood of Locomotive Engineers, "should . . . recognize that some of our agreements are outmoded and . . . give serious consideration to proposed changes."

"However much we may plead poverty, regulation, coercion and lack of protection," says J. M. Hood, president of the American Short Line Association, "we, through our chosen representatives, have for years acquiesced in [burdensome] labor demands. The industry should renegotiate."

Proof of the pudding: If make-work efforts were effective, the railroads would have to be hiring more and more employees. Instead, they have fewer and fewer. 1,565,414 in January 1948 and 885,971 in January 1958. "Make-work" doesn't work.

In a large number of cases a day's work comparable to a railroad employee does not do that done on competitive lines

BUS

A typical wage for a long-haul bus driver is around 10 cents a mile—which means that a bus driver gets just about the same for 200 miles that a locomotive engineer usually gets paid for 100 miles.

TRUCK

The truck driver works a full 8 hours for his day's pay—or is paid a day's wages for "a trip," which may be 200 miles or more. Where in truck transportation are long-haul drivers paid a "day" for only 100 miles?

AIR

The highly exacting work of airplane crews is limited to 85 hours a month. But they don't get a day's wages solely on a basis of miles traversed. If so, airlines would soon have to price themselves out of the market.

RAIL

A hundred miles brings a day's pay to freight engineers and trainmen, and to passenger engineers. For passenger trainmen 250 miles is a "day." Crew members thus may earn a day's wages in 2 or 3 hours.

RESULT: Railroads are losing traffic and employees are losing jobs

Is this an insoluble problem? Or do enough good will and good sense railroads and their employees have to work the problem out between them?

THIS IS HOW THEY GOT CAUGHT IN THE TRAP →

©Simmons-Boardman Pub. Corp. 1958

January 27, 1969

RAILWAY AGE

THE TRANSPORTATION WEEKLY

Tomorrow's railroad won't be today's.

It won't look like today's.

It won't act like today's.

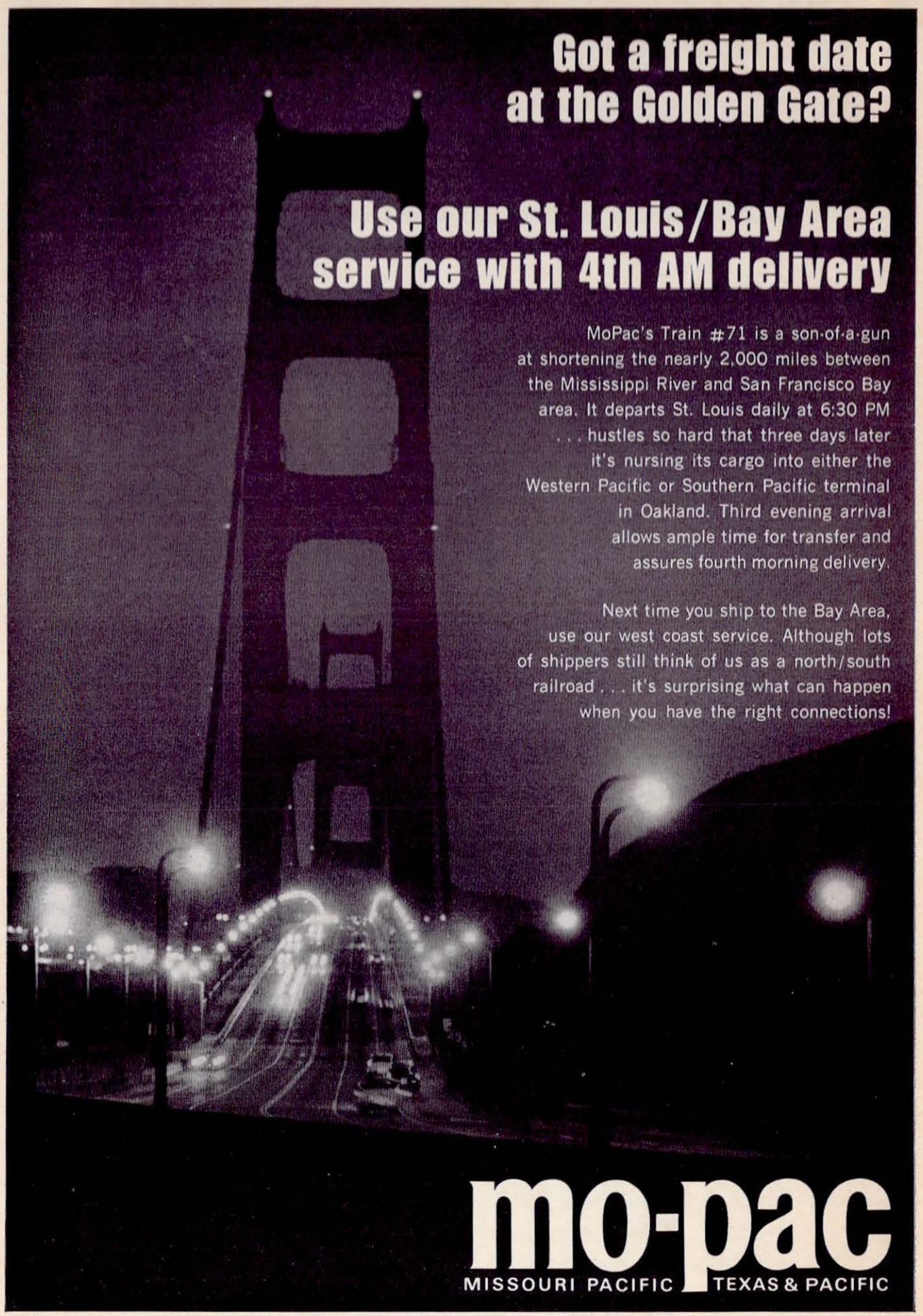
It won't think like today's. Or, to be more precise, it won't suffer the gap between thought and action that sometimes characterizes today's railroads and their operation.

Tomorrow's railroad will be a magnificent piece of transportation machinery. It

continued on page 37

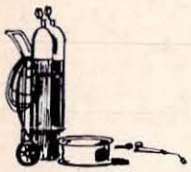
TOMORROW'S RAILROADS No. 1

A 12-part exploration of what can and must be done for America's railroads to come into their manifest destiny. Beginning in the January 27, 1969 Railway Age—the weekly updating of industry developments that tells management what it needs to know to manage.


Got a freight date
at the Golden Gate?
Use our St. Louis/Bay Area
service with 4th AM delivery
MoPac's Train #71 is a son-of-a-gun at shortening the nearly 2,000 miles between the Mississippi River and San Francisco Bay area. It departs St. Louis daily at 6:30 PM . . . hustles so hard that three days later it's nursing its cargo into either the Western Pacific or Southern Pacific terminal in Oakland. Third evening arrival allows ample time for transfer and assures fourth morning delivery.
Next time you ship to the Bay Area, use our west coast service. Although lots of shippers still think of us as a north/south railroad . . . it's surprising what can happen when you have the right connections!
mo-pac
MISSOURI PACIFIC TEXAS & PACIFIC

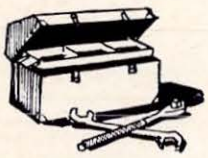
In Equipment for Piggyback . . .
REALCO STANDS FOR SERVICE!

Operated by REAL SERVICES, INC., a service subsidiary of REALCO, the new trailer repair facility at the Atlanta rail yards is within five minutes of major piggyback ramps in Atlanta... provides fast, expert trailer repairs for Members of The National Railroad Trailer Pool.



REPAIRS . . .

Because Pool trailers are repaired and rolling again within a few hours, Members and their shipper customers enjoy the lowest downtime and highest availability factors in the piggyback industry. Many damages are repaired on the spot by the men of the REALCO Mobile Service Unit Fleet. The exclusive Trailer Damage Protection Program absorbs up to $150 for off-car damage regardless of where the repair takes place and without additional cost to Members . . . for the lifetime of the trailer. REALCO trailer repair facilities are fully stocked, equipped and staffed to serve as an important link in carrying out this program now, and as the Pool continues to expand. Also, 342 affiliated or contract garages and service facilities are available for repairs.



MAINTENANCE . . .

To keep the 13,000 Pool Trailers on line and on the go, REALCO carries on a program of maintenance, directed and supervised by regional field maintenance personnel situated where the need for action is...through affiliated and contract service facilities, and the national fleet of company owned Mobile Service Units. Regular maintenance and service are provided at each point of trailer assignment, and at points of movement concentration.

TIRES . . .

Under its exclusive Full Service Program, REALCO arranges for repairs or replacement on any REALCO trailer at no additional cost to Members. REALCO maintains a stock of spare tires at over forty locations . . . absorbs *all* the costs of tires for the entire lifetime of every trailer in the fleet.

IN PIGGYBACK TODAY, *REALCO* SETS THE PACE WITH FULL SERVICE PROGRAM FOR MEMBERS OF THE NATIONAL RAILROAD TRAILER POOL!

Railroads find that REALCO service multiplies the inherent advantages of piggyback . . . because, in the Pool, they receive more real services from REALCO on a nationwide scale than anyone else provides.

REALCO reinvests corporate profits into permanent repair facilities, staffed by full-time experts in trailer care.

REALCO constantly adds to its Mobile Service Unit Fleet, bringing on-the-spot service and repair to damaged trailers in railroad terminals.

In other words, REALCO is totally committed to SERVICE, and spells it out *in writing for every Member!* REALCO invests in quality equipment, then *keeps it that way.*

Phone for Service!

Service is our business. All that a Member has to do is telephone when REALCO trailers are damaged. Then REALCO people move swiftly, from repair bids on through final inspection. It all adds up to REAL SERVICE.

REALCO®

Serving THE NATIONAL RAILROAD TRAILER POOL

REGIONAL OFFICES:

ATLANTA 30309, 1409 PEACHTREE ST., N.E., (404) 892-7454 CHICAGO 60606, 222 W. ADAMS ST., (312) 332-5567

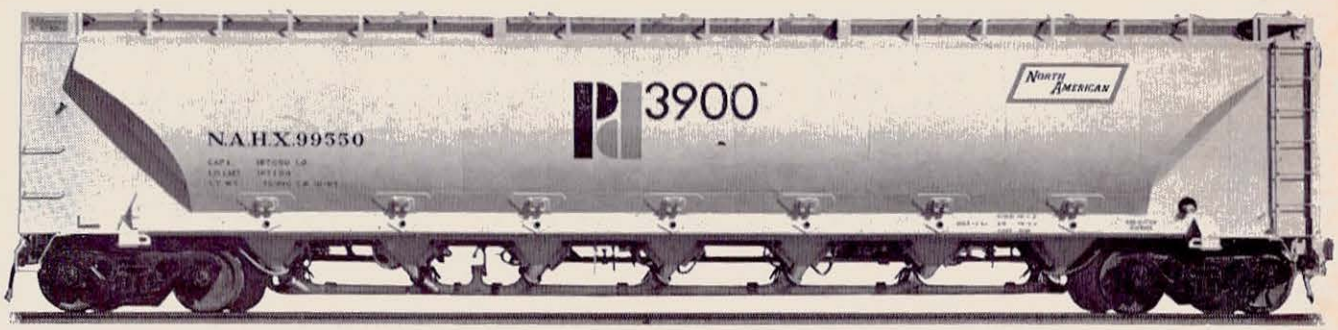
NEW YORK 10017, 219 E. 42ND ST., (212) 557-8863 SAN FRANCISCO 94105, 681 MARKET ST., (415) 391-7523

HEADQUARTERS: CHICAGO 60607, 433 W. HARRISON ST.

Circle 18 on coupon page 44

Powder...pellet...and pebble.

This is the car that handles them all in bulk with ease, efficiency and economy.



VERSATILE IS THE WORD to describe North American's Pressure Differential car. It can handle the most critical commodities with greater facility than ever before possible.

Dust problems, time problems, purity problems and clean-out problems are a thing of the past. The PD 3900, combining variable air volume with low air pressures, not only gives optimum discharge for simple or complex unloadings, but also protects the physical form and structure of your product. The closed and sealed system prevents contamination and the unique steep-slope hopper design—employing individualized aeration and control valves—combines to guarantee complete product clean-out.

Result: optimum utilization of equipment means less cost per ton shipped . . . and, for you, greater profits.

Once you get the full details in a personal presentation, you'll probably want a full scale demonstration. We're ready when you are.

North American Car Corporation, 77 S. Wacker Drive, Chicago, Illinois 60606.

NORTH AMERICAN *creates the cars that solve your problems*

Circle 19 on coupon page 44

INDUSTRIAL TRAFFIC

Howard W. Craig, supervisor, Traffic Department, **Kaiser Steel Corp.,** Fontana, Calif., has been appointed assistant traffic manager there.

Headquarters of **Allen K. Penttila,** corporate director of traffic and transportation, **Evans Products Co.,** moved from the company's Portland, Ore., office to Evans' Transportation Equipment Group offices in Chicago.

Robert D. Tetrault has been appointed manager, traffic and transportation, **Oneida Silversmiths,** Oneida, N.Y., succeeding **Chester H. Colyer,** who retired Oct. 1. Mr. Tetrault was formerly with Universal Carloading & Distributing Co.

OBITUARY

W. H. Adams, who retired in January 1960, as traffic manager, **Shell Oil Co.,** San Francisco, Calif., died Nov. 23.

DIVIDENDS DECLARED

ALLEGHENY & WESTERN — $3, semiannual payable Jan. 1 to holders of record Dec. 20.

ATCHISON, TOPEKA & SANTA FE — 40¢, quarterly, payable March 1 to holders of record Jan. 24; 5% Preferred, 25¢, semiannual, payable Feb. 1 to holders of record Dec 31.

BEECH CREEK—50¢, quarterly, payable Jan. 1 to holders of record Dec 13.

CANADA SOUTHERN — $1.50, semiannual, payable Feb. 3 to holders of record Jan. 15.

CANADIAN PACIFIC—$1.50, semiannual, payable Feb. 1, 1969, to holders of record Dec. 23. 1968.

CHESAPEAKE & OHIO—$1, quarterly, paid Dec. 20 to holders of record Dec. 2.

CINCINNATI, NEW ORLEANS & TEXAS PACIFIC — $2, extra, payable Dec. 30 to holders of record Dec. 20.

COLORADO & SOUTHERN — 4% 1st Preferred $4, payable Dec. 31 to holders of record Dec. 13.

GREAT NORTHERN — 75¢, quarterly, payable Feb. 1 to holders of record Jan. 10.

GULF, MOBILE & OHIO — 65¢, quarterly; $1.15; extra, both paid Dec. 16 to holders of record Nov. 26; $5 Preferred, $1.25, quarterly, payable June 9, 1969, to holders of record May 21.

MISSOURI PACIFIC — Class A, $1.25, quarterly; Class B, $5, both payable Dec. 23 to holders of record Dec. 13.

MONON — Class B, 25¢ payable Dec. 31 to holders of record Dec. 16.

NORTHERN PACIFIC — 65¢, quarterly, payable Jan. 31 to holders of record, Jan. 10.

PENN CENTRAL — 60¢, quarterly, payable Dec. 27 to holders of record Dec. 9.

RICHMOND, FREDERICKSBURG & POTOMAC —$1.50, quarterly; $2, extra; 6% and 7% Guaranteed, $3.50, all payable Dec. 23 to holders of record Dec. 12.

SOO LINE—$1.25, payable Jan. 24 to holders of record Jan. 10.

SOUTHERN PACIFIC—45¢, quarterly, paid Dec. 16 to holders of record Dec. 2.

UNION PACIFIC — 50¢, quarterly, payable Jan. 2 to holders of record Dec. 2.

WHEELING & LAKE ERIE—$1.43¾, quarterly, payable Feb. 1 to holders of record Jan. 10.

REALCO Relies on Page for TOFC Dependability

• • • and they get it!

To deliver total service to the National Railroad Trailer Pool, REALCO demands reliable equipment from all their various suppliers.

Like this Page TOFC ramp. It handles all loads with ease; is simple to operate; provides versatile loading positions. REALCO maintains a fleet of over 50 of these ramps available to pool members for piggyback loading.

Shouldn't you, too, demand reliability in your equipment? We can build it to handle your special rail-loading problems. Call or write, and let us show you how we can help.

PAGE AND PAGE
Division of Walter Kidde & Company, Inc.

Custom Hauling Equipment
Off-Highway • Over-the-Highway
On-the-Track • TOFC

1601 N. Columbia Blvd. • Portland, Oregon 97217 • Telephone (503) 285-0551

Circle 21 on coupon page 44

Funny, they don't look like railroad men.

They are. But they're more than that.
Take the fellow on the left, for instance.
He's a chemical man. And behind him, a freight forwarder man.
To his left, a metal man, lumber and paper man, automotive man, food man, grain man and a stone/clay/glass man. Eight men who talk your language. Eight men who know your business as well as ours. C&O/B&O Market Managers.

You see, we feel you'd rather discuss your distribution program with a man who knows *your* special problems. And how *we* can solve them. Pick your man, then call our local salesman or write: Vice President, Merchandise Freight Group, One Charles Center, Baltimore, Maryland 21201.

THE C&O/B&O RAILROADS Cleveland 44101 • Baltimore 21201

Circle 20 on coupon page 44

Le Havre.

It's the closest thing in Europe to New York.

When you ship containerized freight by boat to Le Havre you're closer to Europe than any other port. And you're closer to your customers because containerized freight consigned to Le Havre is on the railroad to your markets while freight consigned to other major ports is still at sea. Because Le Havre is almost a day closer to New York.

And because French National Railroads can provide prompt, punctual freight delivery direct to every major European city.

The containerized freight handling facilities in Le Havre are now among the best in Europe. So good in fact, we can guarantee scheduled shipment of your goods to the consignee. Our freight trains are waiting at the dock. Your containerized shipments are immediately unloaded from the boat and loaded into the trains — and on their way. To Paris — Lyons — Marseilles — Basle — Stuttgart — Dusseldorf. Anywhere in Europe. With no delays. At speeds of 65-70 miles per hour. In cars equipped to handle any and all size containers. This means fast, efficient and economical service to you and your customers. So ship to Europe via Le Havre and the French National Railroads and its affiliated Company "Compagnie Nouvelle des Cadres" specially created to handle containers. It's the shortest containerized freight route from New York.

For further information write to the French National Railroads 610 5th Ave., New York, N. Y. Freight Department C. Or call French National Railroad at 582-2110.

FRENCH NATIONAL RAILROADS

Circle 22 on coupon page 44

WATCHING WASHINGTON

TRUCKS, RAILS LOOK BACK—Year-end statements are in from both the Association of American Railroads and the American Trucking Associations, Inc. There are interesting comparisons.

SOME NEW HIGHS—The AAR says railroads recorded a new high in ton-mileage, 745 billion. ATA says it did the same with 415 billion intercity ton-miles for trucks of all types. For rails, that's a 3.5% rise over 1967, for trucks a 7% increase. On their record ton-mileage, railroads claim $10.8 billion in gross revenue, 5% above 1967, and another new high. But ICC-regulated trucks alone, ATA says, had revenue of $12.4 billion, 12% above 1967.

PARADOX FOR RAILS—AAR calls 1968 a year of paradox. There was one more new high—$8.5 billion in operating expenses, 4% more than in 1967. But 4% is slightly higher than the rate of increase for net income—$575 million, compared with $554 million last year. For trucks, net figures are available for just Class I and II carriers. But they show a gain of $275 million—for an increase of 41%.

SOME PLUSES—Nevertheless, AAR points to some 1968 indicators that, hopefully, point to a brighter 1969. There is the 12% piggyback jump to a record 2.2 million trailers and containers; the rise of rail share of motor vehicle movement to 5.4 million units, or 50% of all such traffic; $1.3 billion spent to modernize the rail plant; work leading to the 1969 start of a nationwide car-tracing system and the 1970 start of automatic car identification. Addition of 70,000 new or rebuilt cars brought the total rail fleet capacity to 115 million tons.

THERE'S ALWAYS 1969—What are the prospects for the New Year? William A. Bresnahan, ATA managing director, says: "The outlook for the trucking industry for 1969 is continued growth at levels somewhat below the rates realized in 1968." Thomas M. Goodfellow, AAR president, says rails will be moving to become "pace-makers of the transportation industry." As for 1968, truckers look toward a return on investment of 12% to 15%. For rails, AAR estimates 2.6%, barely more than last year's 2.46%. As for capital investment in 1969, no estimates are available from the truckers; and it's too early, also, for any official railroad forecasts. But present signs point to an increase of at least 10% in railroad spending—which ought to make it a happier new year for suppliers. —*Frank Malone*

Tax protest hearings set in Virginia

The State Corporation Commission of Virginia will open hearings March 10, 1969 for 16 railroads which are protesting a $2.9-million increase in their 1968 state and local property taxes.

The railroads maintain that property which they own in Virginia was over-valued this year by $261,696,020, which has resulted in an illegal tax collection by the state of $2,944,565.

To expedite testimony, the commission will hear the railroad's case on the petition and exhibits of the Norfolk & Western, which is one of the 16 lines that have filed appeals.

The other lines that are protesting, most of which are members of the Virginia Railway Association, are the Baltimore & Ohio; Carolina & Northwestern; Chesapeake & Ohio; Chesapeake Western; Clinchfield; Interstate Railroad; Louisville & Nashville; Norfolk, Franklin & Danville; Norfolk Southern; Richmond, Fredericksburg & Potomac; Richmond Terminal; Seaboard Coast Line; Southern; Winchester & Potomac, and the Winchester & Strasburg.

John B. Boatwright, chairman of the Virginia Railway Association, said the $2.9-million tax hike resulted principally from an increase placed by the commission on track values even though, Boatwright said, "railroads unlike motor carriers, airlines and water carriers, not only construct their own lines and maintain them, but also pay taxes on them."

Boatwright said the increase in track values amounted to about a 55% jump, which is not based as it should be on the fair market value of the carriers' property.

"Railroads are always willing to share the costs of state and local governments but for years railroads have been paying more than their fair share of the tax burden in Virginia," Boatwright said.

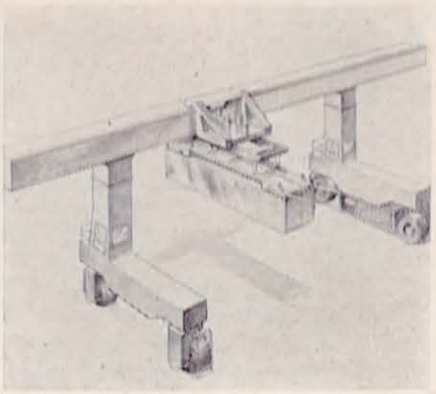
"Railroad property was already assessed at a higher per cent of full value than most other property in Virginia," Boatwright added, "and the latest assessment compounds the discrimination by arbitrarily setting the full values of much of our property well above fair market value," Boatwright said.

Meanwhile, the railroads are paying the taxes which are due December of each year. ■

NEW PRODUCTS REPORT

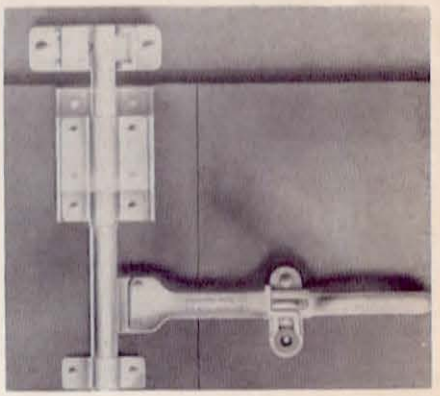
Freight-handling system (RA-1)

The Vari-Deck double-deck system for highway trailers, box cars or containers allows freight to be placed at any height above cargo on floor. Freight can be carried on two levels —heavy cargo on floor and lighter, fragile freight above. The permanently installed platforms are adjustable to any desired height and, when not in use, self-store at ceiling level. Capacity of conveyance is then virtually what it was without double-deck system. *Budd Co.*



Straddle type cranes (RA-2)

Variations in lifting capacities and in portal height and width are available in the Model SHL-80 Strad-L-Hoist series which feature torsion beam configuration with combination top or bottom pick and full rotation which makes it possible to traverse the full distance from one cantilever to the other. The load is rotated past the box beam upright structure. Units may also be had with or without cantilever extension. *R. G. LeTourneau, Inc.*



Door locking mechanism (RA-3)

The Flex (E)Grip dock-locking mechanism for containers and trailer and truck bodies permits installation of door in either a flush or offset position from vehicle body. Cams for use with ¾- or 1-in. pipe can be positioned on pipe to lock either offset or flush-mounted doors. Keepers are designed with additional depth to anchor cams securely in an anti-rack manner and can be supplied either for bolted-on or welded assembly. *Eberhard Manufacturing Co.*

Refuse grinder (RA-4)

Metal strapping, nails and wire found in dunnage and pallets; 8-in. timber; and 2½-in. pipe are reduced to chip-like material with a portable grinder, the Alley-Gator, without harm to machine or need to stop operation for sorting. The machine, loaded by crane or tractor in volume, chews up refuse at a rate of 1-plus cu yd of chips per min. One man operates machine and conveys residue into trucks for disposal. *Western Manufacturing.*

Coating system (RA-5)

A Zinc-Rich 110 coating on the steel model of an 8- x 8- x 20-ft container remained intact during testing in a salt fog accelerated test chamber and maintained its grey colored coating with all surfaces still protected from atmospheric corrosion and wear. A test scratch placed on model before test showed no corrosion or undercutting of coating system. *U. S. Steel.*

Load binders (RA-6)

Gripper load binders go across the width of a truck, securing two rolls of newsprint to the truck bed. "U" hooks on the ends of nylon binder straps make it easy to attach the binder anywhere along the side of the truck. The binders are light weight, easy to handle and easy on the load. The 10,000-lb nylon webbing is virtually impervious to the strain of heavy paper rolls. A ratchet buckle offers adjustment of tension, length. *Cambridge Wire Cloth Co.*

RAILWAY AGE
THE TRANSPORTATION WEEKLY

30 Church Street, N.Y., N.Y. 10007 READERS' SERVICE (Att. J. Lindstrom)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS IN ADVERTISEMENTS NUMBERED: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

PLEASE SEND INFORMATION ABOUT PRODUCTS DESCRIBED ON PAGE 44 MARKED: RA-1 RA-2 RA-3 RA-4 RA-5 RA-6

NAME ..... TITLE .....

COMPANY .....

ADDRESS .....

CITY ..... STATE ..... ZIP .....

• **Inquiries can be processed only if title and company are shown.** 12/23-30/68

LETTERS

First container ship

Skagway, Alaska

To the Editor:

We read with interest in your special report "Who Will Take Them From Here" (p. 29, Oct. 28 issue) a reference to the "first vessel (a tanker with a platform topside to carry the boxes)" used in 1955 as a fore-runner of today's modern containerships.

It is with pleasure that I enclose a copy of the White Pass & Yukon Route newspaper (April 1967) describing the "first container ship in the world," the "M/V Clifford J. Rogers," which was designed and built in 1955 specifically to carry containers. Ten years later, this pioneer ship was replaced with a larger container ship. . . . Today, an additional ship is being constructed to handle the increasing containerized cargo for the Yukon.

Carl E. Mulvihill
White Pass & Yukon Route

Passenger trains

Hicksville, N. Y.

To the Editor:

I've enjoyed your column, "As The Editor Sees It" for some time and usually am in agreement with your viewpoints. I must, however take exception to your column of Sept. 23 in which you see fit to excuse the contemptuous actions of the Southern Pacific and some other roads in their attempt to abandon passenger trains.

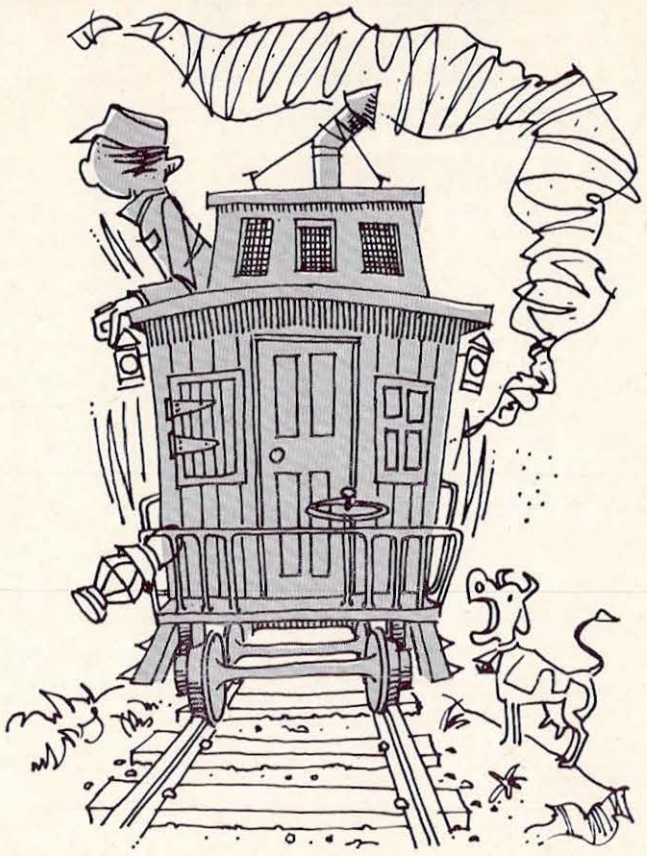
Only unreasonable individuals would expect stations and switchboards to remain open around the clock if there is no such need, but to close a station 11 minutes before the departure of a principal train, or a switchboard at 7 p.m. is another matter. Perhaps those 920 business trips are all made by commercial airlines out of fear of being made further captive victims of the same contemptuous attitudes. Few other railroads and even fewer other businesses would pursue such policy.

This issue is much deeper than one passenger train and one railroad. If ever there was any hope of subsidies, favorable legislation—even on matters not solely related to the passenger business, the deservedly bad publicity arising from such tactics is sure to dash those hopes.

Finally — can managements which pursue an attitude of contempt for the passenger really be expected to have an entirely opposite attitude for the needs of the freight shipper?

G. E. Mc Carthy

Remember when
the breadth of a conductor's vision
was limited to the length of
his neck?



International's
extra-wide vision cabooses
ended all that

Extra-Wide Vision is just one of many features that make International Cabooses so popular with freight crews. They can sit in comfort, get a panoramic picture window view of their train and their surroundings.

It boils down to this. You don't have to stick your neck out when you ride an International Caboose any more than you do when you buy it. More safety, more comfort and more service are built into them right from the start.

INTERNATIONAL CAR CO

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Representatives:
M. H. Frank — Cleveland, O. • Prest Company — St. Paul, Minn.
R. B. Hornberger — San Francisco, Cal. • F. E. Ross, Jr. — St. Louis, Mo.
E. J. Hasten, Jr., W. B. Reed — Chicago, Ill.

A Part of NATIONWIDE INDUSTRIES, INC.

Circle 23 on coupon page 44

ACI

opportunities with Sylvania

The acceleration of activity with Sylvania Information Systems has created several new assignments for individuals who have career interest in the field of Automatic Car Identification systems. You will work with Sylvania's Kar Trak, the Automatic Car Identification System that has gained nationwide acceptance by North America's railroad industry.

field sales representatives

Expanding markets have made available several opportunities at various levels for Sales Representatives who will have area and account responsibility. Must be capable of mastering technical aspects of systems/computer technology. Minimum academic preparation requires at least a BS degree, preferably in Engineering. A mature, business-like approach to problems along with either Railroad or Rail sales experience is desired.

project engineer

Duties consist of the proposal and specification of various peripheral devices for medium size computers that are to be used in Sylvania Transportation Control Systems. Knowledge of computer application, data communication requirements and peripheral interface requirements are necessary. The candidate must have experience in the hardware integration of systems. You will be required to configurate control systems, using ready-made subsystems, for particular application to railroad yard control and truck terminal control. Precise knowledge of processing control computers and their application is required.

sr. systems analyst

The candidate must be capable of defining systems for automatic car identification. Must be familiar with computer applications for railroads, data communications and railroad signaling. Extensive background in railroad systems is mandatory. Experience must include the application of computer data systems in railroading. Any experience in the application or planning of automatic car identification in mainline operation or railroad yard terminal operations is highly desirable.

field service engineers

Several openings exist in our Customer Engineering Department for both junior and senior men to be located at either Division headquarters near Boston or at field locations. Desire BSEE or equivalent and experience in digital logic systems. Travel required. Excellent chance for promotion. Good personality and ability to represent Sylvania effectively is considered essential.

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Sylvania Information Systems,
Commercial Electronics Division,
P. O. Box 268
Bedford, Massachusetts

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An Equal Opportunity Employer

Study LOCOMOTIVE ELECTRICAL EQUIPMENT MAINTENANCE in spare time at home

"Joe" is the one who usually comes up with the right answer when there is a problem, so he's the man the other fellows respect. Even if that knowledge doesn't always show in Joe's pay check, it gives him a lot of satisfaction and personal pride. And who can put a dollar value on that?

You can be such a man by taking this two-year course for mechanical department employees who would like to know more about locomotive electrical equipment maintenance and repair. Two lessons a month, in simple, non-technical language, guide you swiftly to a better working knowledge of the subject. Your lessons are graded by instructors who give individual, personalized advice as needed. The cost is low and payable in monthly installments. For full information, return coupon.

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Railroad_____

Job title_____ RA-12/30

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WHO'S WHO IN RAILROADING

Here is a new and thoroughly up-to-date edition which contains biographical sketches of executives in the railroad industry, including rapid transit, railway supply, labor leaders, members of regulatory bodies, transportation economists, railway finance specialists, educators, selected consultants, and editors, in the transportation industry.

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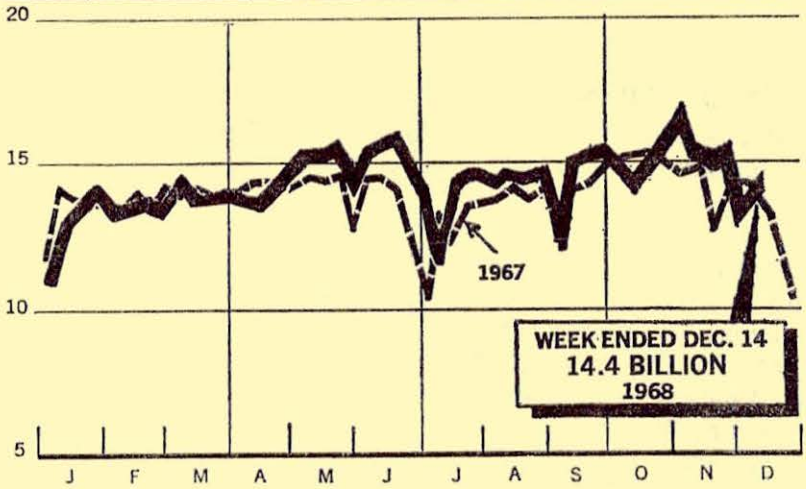
Published in December 1968 at $25.00 per copy. **RA**

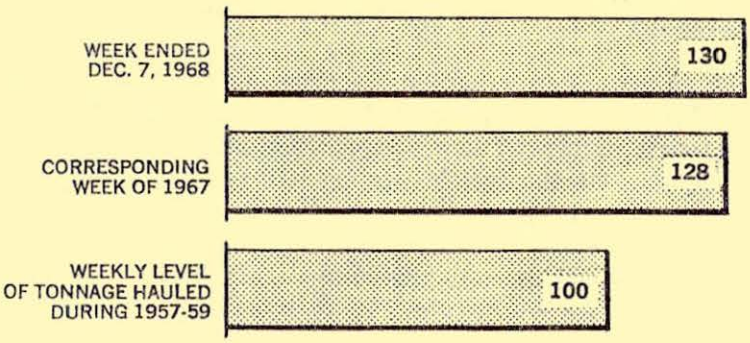
RAIL FREIGHT TRAFFIC TRENDS

BILLION TON-MILES (Estimated)



Source: Association of American Railroads

INDEX OF INTERCITY TRUCK TONNAGE



Source: American Trucking Associations.

Current Statistics

Net income, Class I roads	
Six months, 1968	$284,000,000
Six months, 1967	$265,000,000
New freight cars on order	
Oct. 1, 1968	16,224
Oct. 1, 1967	24,762
New freight cars delivered	
9 months, 1968	43,062
9 months, 1967	66,451
Serviceable cars	
Oct. 1, 1968	1,386,742
Oct. 1, 1967	1,415,518

CAPITAL EXPENDITURES

• *Burlington.*—Budgeted approximately $45.8 million for capital improvements in 1969, an increase of $8.9 million from 1968 levels.

• *Great Northern.*—Directors authorized a $26.3-million capital-improvements program for 1969, with power/equipment acquisitions accounting for $17.8 million and fixed-plant improvements for $8.5 million. GN's program will include acquisition of 12 diesel-electric freight-service units, six 3,600 hp and six 3,300 hp. On the freight-car list will be 300 100-ton covered hopper cars; 150 50-ft, 70-ton box cars, 100 60-ft double-door box cars, and 27 steel-deck flat cars, all equipped with cushion underframe; and 20 cabooses. St. Cloud, Minn., company shops will recondition and upgrade 200 box cars. Plant-improvement programs will include installation of 51 track miles of new rail and installation of 48 miles of CTC in mainline territory in Montana. GN also plans improvements in TOFC facilities at Minneapolis; improvements in mainline clearances, including the daylighting of a tunnel near Blacktail, Mont.; and extension of sidings between Everett and Bellingham, Wash.

• *Rock Island.*—Power/equipment program for 1969 will involve a $21.2-million package, including 20 3,300- and 3,000-hp diesel-electric units; 557 new freight cars, and 700 trailers for TOFC service. On the freight-car list will be 250 70-ton, 50-ft box cars equipped with lading-protection devices; 200 100-ton covered hopper cars; 65 Airslide covered hopper cars (35 70-ton and 30 100-ton capacity); 30 70-ton, 60-ft flat cars equipped with chain tiedown devices; and 12 40-cu-yd-capacity air-dump cars.

• *Santa Fe.*—Budgeted approximately $190 million for capital improvements in 1969, including $39 million for completion of the 2,000-mile Gulf Central pipeline. Santa Fe will spend about $125 million in 1968, including $32.5 million for the pipeline project.

• *White Pass & Yukon.*—As part of a $19.9 million expansion program announced earlier (RA, Oct. 28, 1968, p. 83), ordered 200 40-ton, 33½-ft container flat cars, costing $1.5 million, from National Steel Car Corp. Ltd., and seven 1,250 hp locomotives, costing $1.4 million, from Alco. All equipment is scheduled for delivery in the first half of 1969. In late January, a pilot car for the 200-car order will be trucked 4,000 mi. to Whitehorse, Yukon, for test runs over the road's narrow-gauge route to Skagway, Alaska.

PIGGYBACK

• *Santa Fe Trail Transportation.*—Will order 1,200 trailers for piggyback service.

MARKET OUTLOOK

CARLOADINGS

Loadings of revenue freight in the week ended Dec. 14 totaled 549,986 cars, the Association of American Railroads announced on Dec. 19. This was a decrease of 3,478 cars, or 0.7%, compared with the previous week; a decrease of 16,351 cars, or 3.1%, compared with the corresponding week last year; and an increase of 547 cars, or 0.1%, compared with the equivalent 1966 week. Ton-miles generated by carloadings in the Dec. 14 week are estimated at 14.4 billion, a decrease of 4.7% below the corresponding week of 1967, and 4.8% below the 1966 week.

Breakdown of carloadings for preceding week follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Dec. 7

District	1968	1967	1966
Eastern, including Allegheny and Pocahontas	201,402	218,502	223,175
Southern	127,324	119,604	119,766
Total Eastern and Southern Districts	328,726	338,106	342,941
Northwestern	65,003	66,547	64,403
Central Western	112,236	110,957	115,722
Southwestern	40,273	39,935	39,603
Total Western Districts	217,512	217,439	219,728
Total All Roads	546,238	555,545	562,669
Commodities:			
Grain and Grain Products	50,089	49,108	52,953
Livestock	1,485	2,127	2,521
Coal	98,592	108,955	115,996
Coke	7,397	8,318	8,191
Forest Products	41,733	39,778	37,709
Ore	24,346	26,892	23,920
Merchandise l.c.l.	3,606	4,433	5,998
Miscellaneous	318,990	315,934	315,381
Dec. 7	546,238	555,545	562,669
Nov. 30	511,826	556,715	572,189
Nov. 23	578,381	491,621	524,057
Nov. 16	554,611	572,891	609,013
Nov. 9	577,180	569,281	585,787
Cumulative total, 49 weeks	26,781,716	26,649,894	28,133,715
Estimated revenue ton-miles (billions) 49 weeks	704.9	681.7	701.2

PIGGYBACK CARLOADINGS

U. S. piggyback loadings for the week ended Dec. 7, totaled 26,621 cars, carrying 41,714 trailers, compared with 25,149 cars, carrying 40,808 trailers, in the corresponding 1967 week. Loadings for 1968 up to Dec. 7, totaled 1,268,203 cars, carrying 2,064,291 trailers, compared with 1,140,753 cars, carrying 1,874,913 trailers, in the corresponding period of 1967.

IN CANADA

Carloadings for the nine-day period ended Nov. 30, totaled 94,808 cars, compared with 75,859 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd. from Connections
Cumulative Totals		
Nov. 30, 1968	3,462,745	1,132,268
Nov. 30, 1967	3,509,451	1,135,411

FREIGHT-TRAIN CARS

● *Burlington.*—1969 freight-car program calls for acquisition of 400 100-ton open-top hopper cars, 305 70-ton box cars equipped with lading-protection devices, and an unspecified number of specialized cars for steel and aluminum coil and airplane-component service. In addition, CB&Q will place 25 new steel cabooses in service. And Lincoln, Neb., company shops will program heavy repairs to 1,560 freight cars.

● *Northern Pacific.*—Will spend almost $13 million for purchase and construction of freight cars and auto-racks in 1969. NP will purchase 215 100-ton hopper cars, 150 60-ft flat cars, 30 89-ft flat cars for pole traffic and container loading, 50 mechanical refrigerator cars equipped with load dividers, and 29 cabooses. Five bi-level and 25 tri-level racks will be acquired. In addition, Brainerd, Minn., company shops will build 150 70-ton, 50-ft box cars equipped with hydraulic draft gear and load-restraining devices.

● *Roscoe, Snyder & Pacific.*—Leased 200 51-ft, 8-in. (inside length) insulated box cars from Transport Leasing, for delivery early in 1969. Cars will be built by Pullman-Standard. The cars, designed to meet specifications of the Grocery Manufacturers Association, will be equipped with cushion underframe, poured-in-place urethane insulation, one-piece load-divider gates and 10½-ft plug doors.

● *Santa Fe.*—1969 capital-improvement program will include acquisition of 2,600 new freight cars.

● *Trailer Train.*—Ordered 30 60-ft flat cars from Pullman-Standard. This brings TTX purchases of new cars since Jan. 1 to 5,620. As of Dec. 13, TTX had 48,672 cars in service or on order.

NEW FACILITIES

● *Burlington.*—Will install about 40 miles of mainline welded rail in western Nebraska and eastern Colorado. Work will also be progressed on a new classification yard at Kansas City, with the expectation that construction will be almost completed by the end of 1969.

LOCOMOTIVES

● *Burlington.*—Will acquire 24 new diesel-electric units, 15 3,600 hp and nine 2,300 hp. The higher-horsepower units will be used in high-speed mainline freight service; the 2,300-hp units will be used primarily in coal-train service.

● *Santa Fe.*—Authorized acquisition of 90 road freight diesel-electric units and 24 remote locomotive-control units.

YOU OUGHT TO KNOW

Savannah getting multi-product bulk terminal

The Georgia Ports Authority is expanding bulk handling of multiple products with a new facility at its Garden City Terminal in Savannah. Soros Associates of New York and Robert and Company Associates of Atlanta are the designers.

Penn Central can drop three trains

The Interstate Commerce Commission says the Penn Central can drop three passenger trains between Worcester and Boston but denies PC's request to discontinue all its Boston-Framingham-Worcester passenger service. The ICC also rejected petitions to re-hear the PC case that were filed by several towns; the Massachusetts Department of Public Utilities; the Brotherhood of Railroad Trainmen, and the Order of Railway Conductors and Brakemen.

Rail men named to U.S. Chamber transport group

Four rail executives are among the 48 businessmen appointed to the new transportation and communication committee of the Chamber of Commerce of the United States. They are: W. Thomas Rice, Seaboard Coast Line president and chief executive; W. Jerome Strout, Bangor & Aroostook president; Anthony Kane, Great Northern vice president and general counsel; and Own Clarke, C&O/B&O vice president-labor relations and personnel. The committee will push improvement of U.S. transportation and communications "within the context of a healthy private enterprise economy," the Chamber says.

CTA: Wages go up, and a fare increase follows

Those who call Chicago the "Second City" can't be talking in terms of public transportation fares. As of a week before Christmas, Chicago Transit Authority bus and subway riders began paying a 40-cent basic fare—which is double that of the "First City," New York, and reportedly the equal of the highest fare anywhere in the nation. A year ago, CTA raised its fare from 25 cents to 30 cents. The new increase, says Chicago Transit Board Chairman George L. DeMent, was made necessary by "continually rising wage rates, spiraling cost-of-living allowances and increasing material costs." CTA's 1969 budget looks for total revenues of $179.3 million, including $25.2 million from the fare boost. This will be enough to meet operating expenses and debt-service requirements, but it will fall short by $9.7 million of meeting depreciation requirements. CTA is carrying forward a $15.3-million deficiency in this fund, so even with the increase the Authority will be more than $25 million down by the end of next year. Predictably, CTA ran into heavy opposition on its fare proposals. But they went through, just the same. In full-page newspaper ads, the Authority explained its position—and began trying to enlist public support for a subsidy.

N.E.R. planning acquisition of Rail-Trailer

National Equipment Rental Limited is on its way to acquiring Rail-Trailer. Agreement in principle has been reached; yet to come are the working out of definitive agreements, approval by directors of both companies and such stockholder approvals as may be required. Acquisition would be handled through an exchange of stock, with .46 of a share of N.E.R. common issued for each outstanding public share of Rail-Trailer and .37 of a share of N.E.R. stock issued for each share of R-T held by officers, directors and holders of investment stock. The exchange would involve about 280,000 shares of N.E.R., with a current market value of $10 million. Chicago-based Rail-Trailer leases trailers for highway and piggyback service and provides related transportation services and facilities; New York-based N.E.R. leases computers, jet aircraft, other transportation and industrial equipment.

RPI's new look

(Continued from page 23)

ager of the Magor Railcar Division of Fruehauf Corp.

These men have carried the story of "The *New* Railroads" directly to 7,135 opinion leaders in cities big and small, from Oshkosh to Omaha. Widespread press coverage has swollen the total to millions. In certain key cities—e.g., New York, San Francisco, Pittsburgh—the show has played more than once, and every time to enthusiastic, applauding audiences.

While the RPI's presentation is updated constantly to stay in tune with current events, the basic message remains the same: The railroads, far from taking a back seat in the space age, are aggressively and dynamically on the move.

● **How it all began.** The spectacularly successful RPI road shows are only a part of the "new look" that has transformed the railroad industry's supplier organization in the last two years.

Ashley Gray would be the last to claim a major share of the credit for whatever RPI has done during these years. "I happened to be in the right place at the right time," he insists. "We had a good foundation to build upon." But there are those in the railroad industry who would add to this: "The right man."

● **Words plus deeds.** When he took office two years ago, Gray sat down with the editors of Railway Age and talked of his hopes for a "new RPI" that would spread the story of "the new railroads." The traveling road show was an important part of this program. He also talked of moving the RPI's headquarters from Chicago to Washington, "where the action is"; of a sharply stepped-up press and public relations effort; of greater participation with the Association of American Railroads and other industry groups in causes of common interest to the railroads and their suppliers.

All of this has been accomplished, and to a degree that has astonished long-time RPI watchers. The RPI put its show on the road early in 1967; Gray personally narrated the first eight showings, (in Oshkosh, Wis.; Washington, D. C.; New York; Chicago, Pittsburgh, San Francisco; New York, Philadelphia). The program is continuing.

Even before the RPI's move to Washington was completed, the suppliers' group was heavily involved on the Potomac scene, working long and hard (and effectively, as it turned out) for reinstatement of the 7% investment tax credit.

Meanwhile, the RPI's public relations committee, headed by GSI's James A. Van Sant (who has now been succeeded in that post by Paul Carroll of Abex) was busily promoting "the new railroads" in the press media—newspapers, television, magazines, radio. A part of this effort was a nation-wide advertising campaign—the only such campaign being waged at that time on behalf of the railroad industry as a whole.

How successful has the RPI's program been? The best measurement may be the fact that suppliers who were not formerly members of the RPI have been joining up steadily; membership increased 35% during the two-year period.

Looking back, Ashley Gray is inclined to give a lion's share of the credit for RPI's accomplishments to the host of suppliers whose effective work behind the scenes, he says, contributed to whatever success the program has had.

As for Gray, his own happiest memory is of the day when a long-time railroad man, after viewing the RPI's road show, strode up to the podium and asserted: "You've made me proud today to be a railroader." ■

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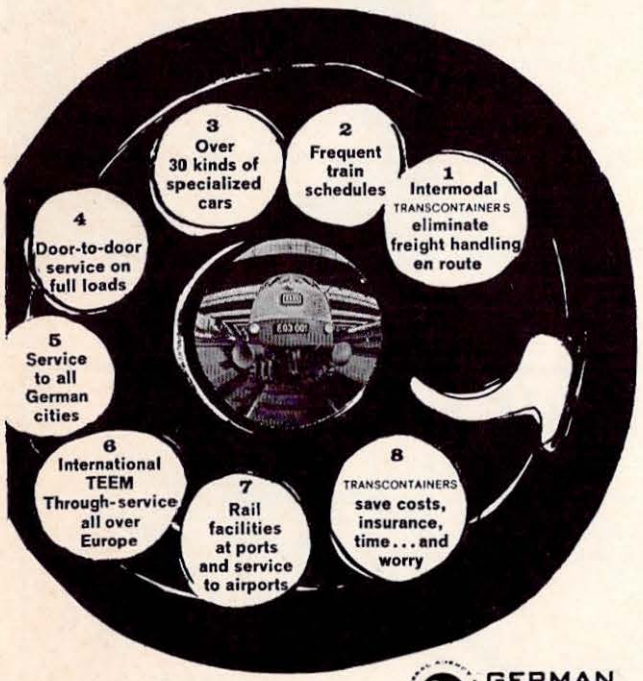

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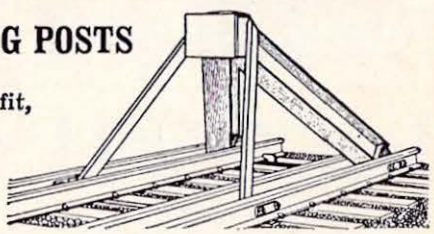

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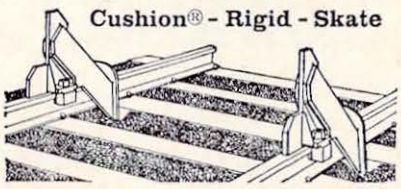

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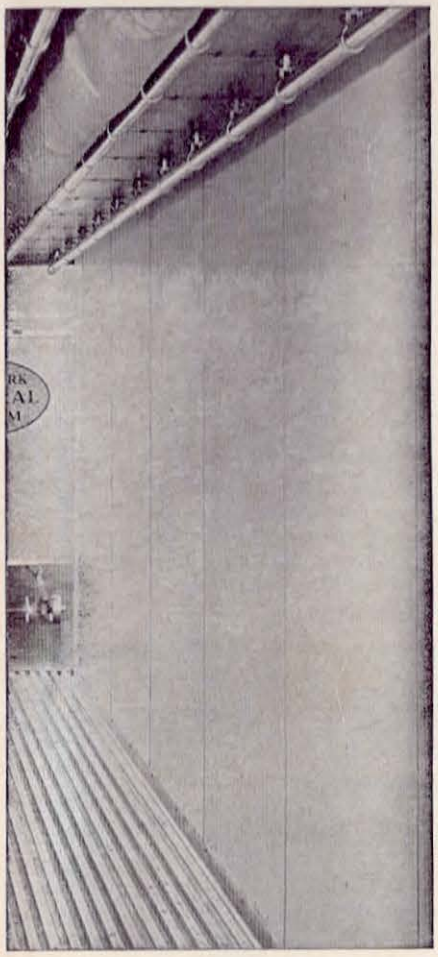

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Circle 28 on coupon page 44

PEOPLE

INTERPOOL INC.—Has been acquired by **Steadman Industries Limited,** Rexdale, Ont., Can., from **REA Express** of New York. **Warren L. Serenbetz,** formerly senior vice president of REA Express, appointed president and chief executive officer of Interpool, as well as a director of Steadman Industries. **Martin Tuchman** named vice president and general manager, and **J. P. Foscano** appointed administrative manager of Interpool. **D. E. De Longis** will be regional manager, Chicago operations; **W. A. Wolfe,** port manager, New Orleans. All were previously connected with REA Express and Interpool operations. Mr. Tuchman took an active part in formation and development of Interpool as assistant to the senior vice president, REA Express.

Warren L. Serenbetz
Interpool

Martin Tuchman
Interpool

ROCK ISLAND.—Joseph P. Schofield, regional manager-freight sales, New York, appointed assistant to general sales manager, Chicago. Mr. Schofield's successor is **Patrick J. Rice,** assistant manager-pricing, Chicago, who in turn is succeeded by **Thomas A. Stoery. Walter T. Okerlund,** district manager-freight sales, Cedar Rapids, Iowa, transferred to Des Moines, Iowa. **George L. Marklein,** district manager-freight sales, Chicago, succeeds Mr. Okerlund, and in turn is replaced by **John V. Stewart. Fred E. Wheaton** named regional manager-pricing; **Ralph C. Wiley** and **Fred W. Schickling,** assistant regional managers-pricing; all at Chicago.

SEABOARD COAST LINE.—C. E. Mervine, Jr., director—labor relations, Jacksonville, Fla., appointed assistant vice president—personnel, reporting direct to the president. **S. M. Duffer,** director personnel, appointed assistant to vice president—operations.

SOO LINE.—Laurence V. Johnson, executive director, special services, retires Dec. 31 after 40 years of service.

SOUTHERN PACIFIC. — Wladimir W. Granitow named engineer structural design, San Francisco.

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VIEWPOINT

Crew-consist report missed some big bets

One of the effects of the flu, it's said, is a kind of disorientation. Flu victims say they feel like they're floating off in space, out of touch with reality, not really with it, as the saying goes.

A reading of the report of Emergency Board 172, in the crew-consist case can produce some of the same symptoms. Time may prove this comment wrong—but for now, just say that the report seems disoriented, out of touch, not really with it.

President Johnson created the board to investigate and report on a spicific dispute. The board, apparently, interpreted its assignment narrowly. Over all, its approach is more of the past than of the future. Its report is a "don't rock the boat" kind of thing.

If the industry, and its employees, are to have much of a future, old days will have to be changed. Ironically, the board speaks of "creative imagination" in labor relations. But it does not support what the railroads involved—Illinois Central, Louisville & Nashville, and Belt Railway of Chicago—have regarded as creativity, namely the dollars-and-cents sharing of savings with the employee.

One has to wonder who was listening, for example, when IC President W. B. Johnston's comments were spread upon the record—comments such as these:

> **"We must enlarge, not further restrict, the managerial incentive and opportunity to risk time and money in ideas for new railroad 'products' and services . . . .**
>
> **"Change is precisely what entrepreneurial activity is designed to produce. At a time of all-pervasive change and adjustment to change, it is folly to pretend that railroads can grow, or even survive, by trying to stand alone against the tide — much less to swim backwards against it. Change is the route whereby the railroad industry can better serve the public interest . . . .**
>
> **"Yielding to this (crew consist) demand would make such change much more difficult, and it is now difficult to the point of discouragement. In my view, unions should encourage the carriers to make constructive changes in every way they can. They should help railroads attack their opportunities by providing the greatest possible incentives consistent with the welfare and future of the men they represent. Certainly they should not take further steps to freeze rail activity into forms where quite obviously it becomes less and less successful . . . .**
>
> **"There is no way at all for railroads to approach meaningful innovation aimed at creating a new 'product' that the public will want to buy so long as railroads' labor agreements call for arbitrary manning levels whenever a freight car is coupled between an engine and a caboose."**

Emergency Board 172 had an opportunity to look to the future. It had the chance to turn the memorable phrase, to talk in meaningful terms about transportation and the national welfare and change. Instead Board 172 opted principally for a defense of "free collective bargaining," and observed that the public interest lies not so much in the terms of an agreement as in the "final resolution of this prolonged dispute through free collective bargaining." In the long run, that observation may be open to serious question.

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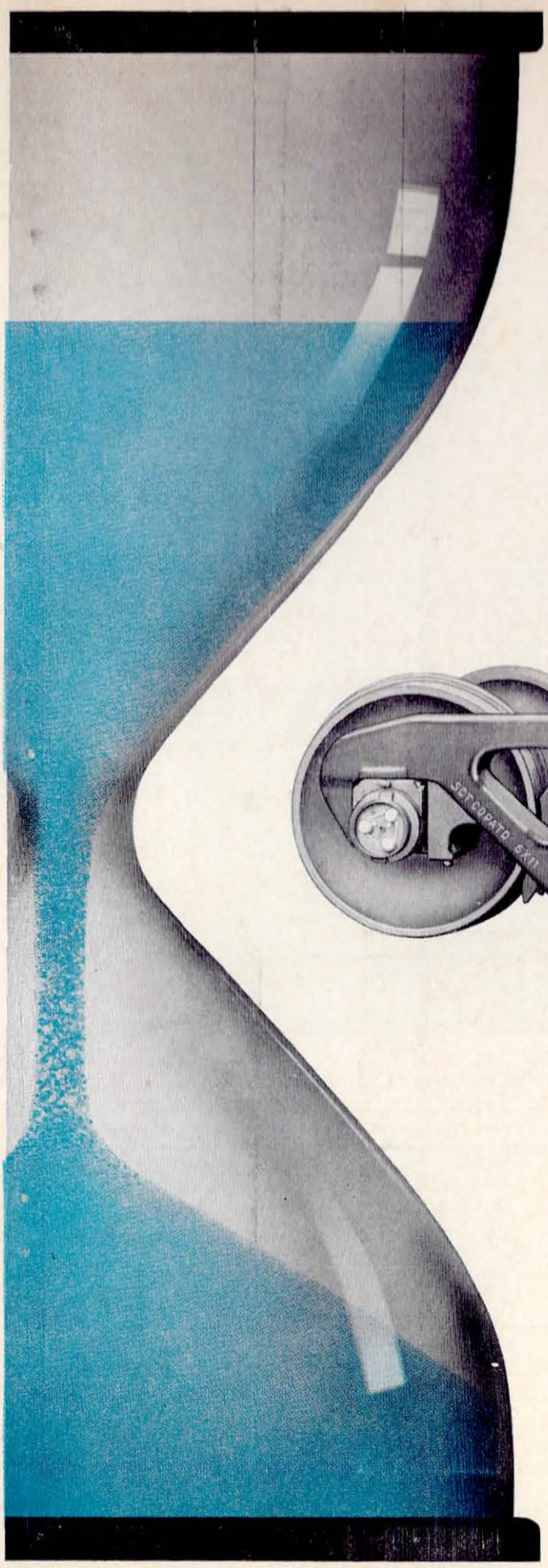

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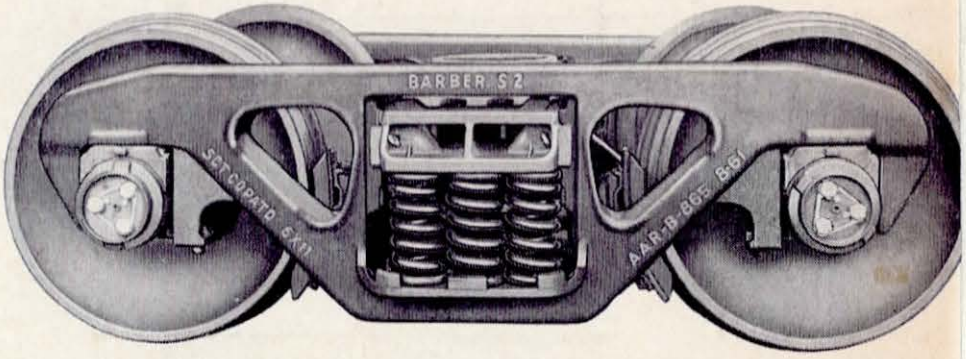

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